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## CHINA REPORT ECONOMIC AFFAIRS

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## ECONOMIC PLANNING

### REPORT ON YUNNAN'S 1982 DEVELOPMENT PLANS

HK260627 Kunming YUNNAN RIBAO in Chinese 13 Mar 82 pp 1, 3, 4

[Report by Vice Governor Qi Shan [4359 1472] at 11th meeting of 5th Provincial People's Congress Standing Committee on 2 March: "Report on Arrangements for Yunnan's 1982 Economic and Social Development Plan"]

[Text] Fellow committee members,

The fourth session of the Fifth Provincial People's Congress instructed the provincial people's government to carry out the necessary revision to "the key points of the 1982 Yunnan provincial economic and social development plan" which was approved in principle by the session. Now, the revision is completed. On behalf of the provincial people's government, I am going to submit a report on the revised plans to the provincial people's congress Standing Committee for examination and approval.

#### 1. The Execution of the 1981 Plan

Since the beginning of last year, the province has seriously implemented the spirit of the central work conference convened in December 1980 and further readjusted the national economy. We have scored significant results. Under the leadership of the provincial CCP committee and through the concerted efforts of the people of all nationalities in the province, we have over-fulfilled the 1981 national economic plan adopted at the seventh meeting of the Fifth Provincial People's Congress Standing Committee convened in April last year, and thus realized the target of achieving a balance of revenue and expenditure and a balance of credit. Commodity prices are basically stable. There is an overall growth in industrial and agricultural production, with a total output value of 12.999 billion yuan (calculated according to 1980 prices, as are figures mentioned hereafter), an increase of 8.1 percent over the preceding year. The output of a large number of agricultural and sideline products and of light industry set new records. Financial revenue exceeded the target by 25.8 percent, and expenditures fell by 8.3 percent compared with 1980. The supply of commodities has increased and markets in cities and towns have been prosperous. The living standard of the people continues to improve. We have scored new achievements on various fronts and the economic situation is much better than expected.

1. An overall bumper agricultural harvest has been reaped, and the internal structure of agriculture has seen further improvement. In 1981, the total agricultural output value was 5.9 billion yuan, an increase of 8.2 percent over the preceding year. This overfulfilled the targeted rate of 2.5 percent by a large margin. The total output of grain amounted to 18.339 billion jin, an increase of 5.9 percent over the bumper harvest of the preceding year. The output value of diversified economy (including domestic sideline production) was 3.12 billion yuan, an increase of 8.8 percent over the preceding year. The output of oil crops was 2.14 million dan, an increase of 65.2 percent; sugarcane 44.95 million dan, an increase of 21.8 percent; tobacco 3.27 dan, an increase of 57.6 percent; tea 0.4 million dan, an increase of 14.2 percent; and pork, beef and mutton 0.34 million tons, an increase of 10 percent. The total income of enterprises run by communes and brigades amounted to 830 million yuan, an increase of 11.1 percent. The development of domestic sideline production was even faster. The proportion of the diversified economy in total agricultural output was considerably raised, and the commodity rate of agricultural and sideline production increased from the preceding year's 29.6 percent to 34.5 percent. Rural areas throughout the province are prosperous, the peasants are contented and happy with their productive work, and they work diligently. All food crops are yielding good harvests and the domestic animals are all thriving. The development of agriculture is in the ascendant, and the situation is very encouraging.

2. Industrial production maintained a relatively fast growth rate and the readjustment of industry's internal structure made new progress. Total industrial output value amounted to 7.92 billion yuan, an increase of 8.1 percent over the preceding year, overfulfilling the targeted rate of 2.1 percent by a large margin. That of light industry increased by 17.9 percent. In particular, major products such as tobacco, sugar, wine, oil and cloth which use agricultural and sideline products as raw materials increased by a large margin. The output of other daily consumer goods, articles for daily use, small commodities, articles used by minority nationalities, and consumer durables such as wristwatches, sewing machines and bicycles also increased, some by several times. The heavy industry picked up again after its decline and output increased by 0.3 percent. The output of products serving the needs of agriculture such as chemical fertilizer, agricultural chemicals and agricultural machineries, the province's superior products such as nonferrous metal and phosphate ore, and products serving the light industry market such as steel products and building materials increased in varying degrees. The quality of most products improved and their varieties increased, basically meeting the needs of the market.

The situation in certain major industrial products was as follows: power output 5.9 billion kWh, up by 6.2 percent compared with 1980; steel 330,000 tons, up by 13 percent; 10 types of nonferrous metals 110,000 tons, up by 11.1 percent; this included 50,000 tons of copper, up by 25.3 percent; cotton cloth 140 million meters, up by 9.7 percent; sugar 195,000 tons, up by 6.3 percent; cigarettes 1.03 million cases, up by 15.7 percent; bicycles 50,000, double that of 1980; sewing machines 50,000, up by 130 percent, radio sets 70,000, up by 180 percent; and television sets 15,000, up by 18.9 percent.

3. The scale of capital construction was controlled, and the orientation in the use of investment was more rational than previously. A total of 905 million yuan in investment, drawn from various channels, was completed, 35.4 percent less than in 1980. The amount of investment completed in the light and textile industries was 68 percent more than in 1980, and there were also increases in investment completed in nonproductive construction such as education, science, culture, public health, urban construction and housing. Permanent assets available increased by 16.3 percent compared with 1980, and the great majority of projects and engineering works scheduled for completion and operation last year were completed and put into operation. The construction cycle was shortened somewhat, the quality improved, and the returns increased.

4. The local financial revenue was balanced with a surplus. The revenue was 1.219 billion yuan, 20.5 percent higher than in 1980. Expenditures totaled 1.589 billion yuan, a reduction by 8.3 percent [figures as published]. The central government borrowed 2.36 billion yuan from the province's local finances, and this sum has been turned over to the state treasury on schedule. The province has overfulfilled by 2.4 percent its quota of subscribing for 90 million yuan of state bonds.

5. Commercial business was brisk and market prices were basically stable. Total sales of social commodities were 4.437 billion yuan, 7.6 percent more than in 1980. Business in the rural trade fairs totaled 940 million yuan, a rise of 31 percent. Total volume of imports and exports was \$112 million, an increase of 6.9 percent. As a result of taking steps to tighten up on expenditures, strengthen commodity and noncommodity withdrawal, and reduce the amount of currency in circulation, the net currency circulation last year was reduced by 16.2 percent compared with 1980. While strictly controlling the amount of currency in circulation and increasing commodity supplies, the province strengthened price and market controls, strictly enforced [word indistinct] discipline and hence maintained basic price stability in the markets. Prices of certain commodities such as vegetables and eggs rose after the fourth quarter of last year, but the rising trend has now been put under control as a result of a series of effective measures taken in good time.

6. Work in the fields of science, education, culture and public health was strengthened. Scientific research work maintained the orientation of serving economic construction, and importance was attached to popularizing science and technology and extending the fruits of science and technology. During the year the province popularized 43 science and technology projects, and the popularization of fine-strain rice, wheat, corn, rapeseed and so on over large areas played a notable part in increasing grain and oil production. The province also made new progress in applying new technology, crafts and materials and in learning the progressive experiences of other places. As a result the technical and managerial levels of industry improved continually. Education developed steadily, and its quality improved to some extent. The institutes of higher education initially readjusted their specialization facilities, and the number of new students enrolled and the number of students in the institutes respectively increased by 8 and 20 percent over 1980. The

province made new progress in strengthening primary education, straightening out the junior secondary schools, controlling the ordinary senior middle schools, and developing vocational education. Various types of vocational and sparetime education also developed relatively rapidly. The great majority of the 40 boarding primary and secondary schools for minority nationalities are now in operation, while 7 universities and 6 secondary technical schools are running minority-nationality classes with a total enrollment of nearly 7,000. Culture, public health, physical culture, journalism, radio, television, publishing and so on have done a lot of work and scored new successes in serving economic construction. The province made new efforts in planned parenthood, and continued to control population growth.

7. The living standards of people in the urban and rural areas continued to improve in the wake of the development of production. During the year jobs were found for 114,500 persons (including graduates of colleges and secondary technical schools, demobilized servicemen, and personnel under unified assignment for whom the policies have been implemented). Workers' income rose somewhat. According to a sample survey of worker households in Kunming, Gejiu and Xiaguan municipalities, average income per person was 35.8 yuan per month, an increase of 6.1 percent over 1980. Average net income of the peasants in the whole province (including collective and individual income) was 161 yuan, a rise of 14 yuan. Urban and rural savings deposits rose by 36.1 percent. Workers' and peasants' housing conditions improved. About 7 percent of the peasant households built new houses, while 1.58 million square meters of urban workers' housing was completed.

The major factors accounting for the achievements mentioned above are: first, people's governments at all levels, under the leadership of the CCP committees, have unswervingly implemented the important decision made at the central work conference held in December 1980 on carrying out further economic readjustment and achieving a more stable political situation. This is the most important experience of our province in last year's economic war. Second, since the latter half of last year, the work focus of leading departments at all levels has been further shifted to economic construction, and they have thus strengthened leadership over economic work. In the wake of the implementation of the party's various policies, the socialist enthusiasm of the broad masses of cadres and people has been greatly enhanced. Third, in the course of implementing the readjustment principle, we have worked in close connection with the actual situation in Yunnan. We have incessantly studied the new situation and solved new problems and promptly taken certain efficient measures. The most important of all is that we have established the economic responsibility systems, thus speeding up development of production, construction and other kinds of work.

On the other hand, certain prominent questions still exist in our economic work. The major ones are: the increase of commodities does not match the increase of the social purchasing power. The gap between the supply of commodities and purchasing power in the rural areas is even greater. The social surplus purchasing power will continue to increase, and the tasks



of stabilizing the market and stabilizing the commodity prices will be tough. When giving play to the supplementary role of regulation by market mechanism and continuing to enliven the economy, the erroneous trends of neglecting to take planned economy as the key and attempting to shake off guidance by state plans appeared. Examples of this are that some people tried every possible means to lower the planned production quotas, some did not work in accordance with the production and allocation plans, and some did not implement the policy of unified procurement and assigned procurement. Phenomena of high consumption and waste and poor economic returns are common in the fields of production, construction and circulation. In some industrial enterprises, the production cost is high, the profits are low, the amount of loss incurred is great and labor productivity is on the decrease. The construction period for capital construction projects is long and the cost is high. There are too many circulation links in commercial units and the cost is also high. We will conscientiously solve all the above-mentioned problems in 1982.

## II. Opinions on Arrangements for Economic and Social Development Plans in 1982

In accordance with the principles and tasks put forth by Premier Zhao Ziyang in his "Government Work Report" delivered at the fourth session of the NPC and in Governor Liu Minghui's "Government Work Report" delivered at the fourth session of the Fifth Provincial People's Congress, the principal task for economic and social development planning in 1982 is to further implement the principle of readjusting, restructuring, reorganization and upgrading, consolidate and stabilize the economic achievements, continue maintaining "two balances, one stabilization," and ensure that the national economy develops at a certain speed on the basis of striving to improve the economic returns.

Improving economic returns is the fundamental guiding ideology for making arrangements for this year's plans and is also the crux of our economic construction. Industrial and agricultural production, capital construction, technological renovation and other measures must be arranged to focus on improving economic returns. We must strive for the best and the maximum production with the minimum manpower, materials and financial power. Promoting a comprehensive balance of the national economy and particularly, a balance between the two main categories of production--production of the means of production and production of the means of subsistence--is of great significance for improving economic returns. We must continue to place agriculture in the dominant position, vigorously develop the consumer goods industry and further readjust the orientation of service of heavy industry. As far as agricultural production is concerned, we must strive to increase the per-unit yield, improve the quality and increase the commodity rate; as far as industrial production is concerned, we must strive to improve the quality, increase the varieties of products, produce more marketable goods, reduce waste and lower the production cost; as far as commerce is concerned, we must strive to reduce the circulation links and lower the circulation cost; as

far as capital construction is concerned, we must strive to shorten the construction period, improve the quality of projects and lower the construction cost. It is demanded that this year's energy consumption fall by 3 percent over that of last year, production cost by at least 2 percent, and circulation cost by 3 percent, that the profit rate of capital reach or exceed that of 1980, and that labor productivity increase by more than 3 percent. Under the premise of improving the economic returns, we must maintain a certain speed of development. In accordance with the 1982 economic plan put forth in Governor Liu Minghui's "Government Work Report" and the provincial government's "key point of plans" industrial and agricultural output value is expected to increase by 4.3 percent over the actual figure achieved in 1981, and gross revenue is expected to increase by 4.6 percent.

Upholding the principle of taking planned economy as primary and regulation by market mechanism as supplementary is another guiding ideology in making arrangements for our national economic plans. We must adhere to the spirit of working in line with the state principles and policies and include in our plan all major economic activities that are related to the state's planning and the people's livelihood. If our plans are in contradiction with the state plans, we must resolutely subordinate ourselves to the state plans in order to ensure their smooth accomplishment. Simultaneously, it is demanded that all prefectures, autonomous prefectures, municipalities and counties do the same. We must uphold the principle of taking planned economy as primary and overcome the trend of liberalization of attempting to shake off state plans. We must make more plans for production, procurement, distribution, allocation and so on. The area for grain cultivation must remain relatively stable, and the urban areas and suburbs should mainly develop vegetable and nonstaple food production. We must strictly implement the state regulations in procuring commodities. Industrial products are to be selected, ordered and purchased by commercial units in accordance with plans. The scope and prices of products that are to be sold by the industrial units themselves must be strictly controlled by state plans. Enterprises are not allowed to freely purchase or sell products in short supply, and must first fulfill state demands. We must uphold the policy of unified and assigned procurement concerning procurement of first and second category agricultural and sideline products. We must not capriciously expand the scope of products to be purchased by negotiations, or lower the minimum quota of unified and assigned procurement. We must restore the policy of fixing assigned quotas for procurement of poultry and eggs. We must strengthen planning and management over major products related to state plans and the people's livelihood. We must strictly control commodity prices and forbid indiscriminate raising of prices and selling of more products by negotiations. On the other hand, we must, under the guidance of state plans, continue to grant the localities, the enterprises and the production teams the necessary decisionmaking powers and attach importance to the supplementary role of regulation by market mechanism. We must continue to implement the effective measures which helped to enliven the economy over the past few years in agriculture, industry, finance and trade and so on.

We must also continue to sum up past experiences, and link up state unified leadership with the decisionmaking powers of the enterprises and production teams. We must achieve a situation in which there is flexible control and lively but orderly activities.

In the light of the above-mentioned major tasks and guiding ideology, in the 1982 economic and social development plans of the province, the total industrial and agricultural output value and the growth of the national income are stipulated in accordance with the instructions approved at the fourth session of the Fifth Provincial People's Congress. If the output of the major industrial and agricultural products is lower than the 1981 figure, we should make plans to increase output and carry out the work in accordance with the plan. The following are the specific tasks:

1. We should give priority to agriculture when carrying out economic work and strive for continuous bumper agricultural harvest.

While promoting grain production, we must actively develop the diversified economy and carry out overall development in agriculture, forestry, animal husbandry, sideline production and fishery. We must also practice comprehensive management in agriculture, industry and commerce in order to further readjust the internal structure, develop the production of commodities and make the economy in the rural and urban areas prosper, so that the peasants will get rich as soon as possible and make more contributions to the state.

The total agricultural output value in the 1982 plan amounts to 6.14 billion yuan, an increase of 4 percent over 1981. The targeted figure for grain output is 18.7 billion jin, 361 million jin more than the preceding year, an increase of 2 percent, and that of for sugarcane is 49 million dan, an increase of 9 percent. Emphasis is now placed on improving the quality of tobacco, and the cultivated area will be controlled. It is planned that tobacco will be grown on an area of 1.2 million mu and that output will amount to 4 million dan, an increase of 0.73 million dan, a rise of 22 percent. The proportion of medium and first-trade tea will amount to 70 percent, and the targeted figures for output of tea will amount to 427,000 dan, an increase of 5 percent; oil crops 2.43 million dan, an increase of 14 percent; silk 20,000 dan, an increase of 21 percent; and of pork, beef and mutton 360,000 tons, an increase of 5.9 percent. Other industrial, tropical and subtropical crops, products of forestry, animal husbandry, fisheries and sideline production, vegetables, eggs and fruit must show new development. The total income from enterprises run by communes and brigades will be 900 million yuan, an increase of 8.4 percent.

We must continue to stabilize the various economic policies in the rural areas, and consolidate and perfect the various kinds of production responsibility system. We must do a good job of rational allocations, maintain a relatively stable growing area, readjust the proportion of different crops step by step, and actively promote the growth of paddy rice, beans and small miscellaneous grains so that their output will maintain a considerable growth rate year after year. We must strive for grain self-sufficiency and surplus within the province after 3 to 4 years' hard work. We must suit measures to local conditions, bring the superior features into full play and devote major efforts to promoting the diversified economy. Regarding cultivation, we must put the stress on doing a good job of the production of

industrial, tropical and subtropical crops such as tobacco, sugarcane, tea, silkworms, oil crops, spice, and herbal medicine. We must suitably expand the growing area of sugarcane and promote the construction of small water conservation projects. We must popularize fine-strain seed and devote major efforts to raising the per-unit yields, so that there will be sufficient supply of raw material to sugar refineries. Regarding the production of tea, we must do a better job in managing the existing tea mountains and tea plantations and actively plant more new tea bushes, to strive for bigger development. We must continue to develop the production of vegetables and fruit, do a good job of circulation and distribution and insure that there is sufficient supply for towns and cities and the industrial and mining districts. Regarding animal husbandry, while promoting the breeding of pigs, we must actively promote the breeding of herbivorous animals such as cattle, sheep and rabbits, and poultry and aquatic products. Regarding forestry, we must adhere to implementing the policy of safeguarding, exploiting and utilizing the natural resources, stabilize mountain and forest rights and allocate hills for private use. We must affix the forestry production responsibility system and prohibit indiscriminate exploitation and lumbering. We must devote major efforts to building forests and cultivating saplings, and launch all-people obligatory tree-planting activities. In building forests, we must integrate the building of commercial forests and economic forests with that of fuel forests. When building economic forests, we must put the stress on manufacturing forestry chemical products such as shellac, tung oil, raw lacquer, fruit and rosin. In the wake of developing the diversified economy, we must do a good job of arranging procurement, strengthen storage work and increase the essential godowns and cold storage facilities. We must also develop the processing and transportation trades run by communes and brigades and promote the diversified economy of agriculture, animal husbandry, industry and commerce. We must put emphasis on science and actively publicize experiences and fruits of science and technology that are effective for production. We must improve the cropping system, practice intensive farming, apply fertilizers in a rational way, cultivate and popularize fine varieties, encourage the use of mixed feeds, do a good job of epidemic prevention work and of the building of production bases for commodities, and strive to raise the agricultural per-unit yield and the commodity rate. In order to speed up the development of the diversified economy, apart from the capital arranged, the province has allocated another 20 million yuan this year to serve as loans to sponsor the development of the diversified economy, and 4.5 million yuan to sponsor that of sugarcane. All prefectures and counties will allocate some money from their reserves to sponsor the production of superior local products.

2. We should energetically develop the production of consumer goods and further readjust the direction of service for heavy industry.

We must continuously uphold the guideline of energetically developing the production of consumer goods, step up the development of light and textile industries, further readjust the product composition of heavy industry and the direction of service, give full play to our superior features, strengthen the energy and communications sectors, and gradually revitalize machinery and other sectors of heavy industry. The aim is to enable heavy and light industries to stimulate each other and develop in a coordinated manner.



Plans for 1982 call for a gross industrial output value of 7.41 billion yuan, an increase of 4.5 percent. We should strive for an increase of more than 5 percent. Light industry should have an increase of 8 percent and heavy industry an increase of 1.2 percent.

The production of consumer goods must be geared to changing social needs. We must strive to produce products that are suited for the market. The aim is to provide the masses of people with greater supplies of textiles, foods, daily-use consumer goods, daily-use chemical products, daily-use articles geared to specific nationalities, and various kinds of small commodities. We must also pay attention to better quality. Concerning the food industry, while continuously paying proper attention to such important products as tobacco, sugar, tea, wine, and so forth, we must strive to develop the production of instant foods, foods with a curative effect, dairy products, various kinds of drink, preserved fruit, pickles, condiments, and snacks. We must also resume and develop the production of various traditional food products of famous brands. Plans for this year call for 215,000 tons of sugar, an increase of 10 percent, and for 1.1 million cases of cigarettes, an increase of 6.8 percent. Regarding the textile industry, we must ensure that pure cotton cloth and other products in acute short supply are produced according to plans. We must increase the output of cotton, woolen and silk fabrics, polyvinyl acrylic fiber, viscose fiber and chemical fiber products. We must continue the development of durables of high and medium grades and other mechanical and electrical products of everyday use. The output of bicycles, sewing machines, wristwatches, television sets, washing machines, and so forth must be increased to a relatively great degree. The output value of mechanical and electrical products must be around 100 percent more than that of last year.

Heavy industry must provide more building materials, chemical fertilizers, insecticides, plastic sheets, farm machinery and tools and other means of production. Continuous efforts must be made in controlling the production of products in excessive supply. The output of salable products must be increased. Coal and electric power industries, communications and transportation that concern production efforts and people's life in urban and rural areas must be taken care of properly. As for the metallurgical industry, we must energetically increase the production of steel products of various kinds and tin products and increase their exports, striving to maintain the production level of last year. In the chemical industry, we must try to increase the output of chemical fertilizer and produce more rubber products and wood products--striving to achieve a higher production level than last year. In the machinery industry, we must strive to increase the production of medium-sized and small farm tools and provide machinery for processing agricultural and sideline products and equipment for light and textile industries. We must serve technical transformation and the effort to renew equipment. We must increase the output of mechanical and electric products suited for the highlands and of famous brand export products. The projected increase in output value this year is over 15 percent. There are relatively large gaps between production and needs, where timber, coal and electric power are concerned. We must seek a solution through tapping the potential and effecting transformation and through increasing production and exercising economy. Meanwhile, we must in a planned manner develop fuel forests, small coal pits, small electric power stations, marsh gas, and so forth. This is to gradually solve the energy

problem confronting the countryside. In communications and transportation, we must focus on solving rural transportation problems, strengthen highway transportation and develop animal power transportation among the people. We must further organize social transportation forces, consolidate the transportation system, lower the consumption of energy and improve transportation results. The projected transportation volume of cars for special use is 12 million tons, an increase of 1.7 percent.

Plans and arrangements for heavy industrial production in our province this year are being continuously readjusted in a way oriented toward a rational and coordinated direction. There are both increases and decreases in the kinds of products, most of them adjusted upward and some downward. Those products that show an actual drop compared with last year have chiefly to do with several causative factors. The first is the supply of raw materials. For example, brass, lead and aluminum supplies exported into the province and the supply of natural gas for the Yunnan Natural Gas Chemical Works from Sichuan dropped compared with last year, thus affecting the production of nonferrous metals. The reduced water levels of the Xier River and the Yili River also affected the generation of electricity. The inadequate supply of sulphur concentrates further affected the production of sulphuric acid and phosphate fertilizer. The second factor is an inadequate number of railroad cars sent in from outside the province, thus affecting the outward transportation and production of phosphate ore. The third is that when plans and arrangements were made early in the year, the actual requirements were not completely known for those products whose production is to be based on needs. Thus, tentative plans were made on the basis of the then prevailing conditions where orders for products were concerned. For example, there were plans made for rolled steel, pig iron, ferroalloy, calcium carbide, insecticides and lifting equipment for mines and for the metallurgical industry. The fourth factor is that the production of timber was reduced in the effort to protect forest resources. The output of glass plates was also reduced because the relevant equipment was subjected to inspection and repairs. In order to produce more in excess of targets and thus realize more profits, some departments and enterprises also formulated less ambitious plans.

3. We should strive to increase income and reduce spending and achieve a balance in financial and credit receipts and payments.

Local financial income was projected at 1.05 billion yuan. Actual work was based on an increase of 120 million yuan over the figure realized last year, or an amount of 1.34 billion yuan, an increase of 10 percent. Projected expenditures (not including special state appropriations, balances carried forward, and so forth) were worked out at 1.414 billion yuan, an increase of 14.2 percent compared with the tentative budget of last year. Meanwhile, the fulfillment of such targets as a loan to the state of 130 million yuan from our province's income and the purchase of state bonds at an amount of 82 million yuan was assured.

We must find ways to get rich. We must energetically develop production, open up new sources of income and increase actual income. Through readjustment, reorganization, overhaul, enterprise integration and technical transformation, we must try in every way to improve economic returns. We must tap the potential of the existing industrial, communications and commercial enterprises. We must boost the circulation of commodities and increase their sales. We must direct continuous and proper efforts toward increasing the production of products that provide high taxes and

good profits. We must strengthen taxation work, make inspections to enforce financial discipline, track down cases of tax evasion and delay in tax payment, and restore or additionally impose some kinds of taxes. We must take various measures in order to fulfill the income target.

We must find ways to make proper use of money. We must strictly control spending and plug every loophole in our budget. We must pay attention to rational arrangements, readjust the system for expenditure, properly bring the pace of spending money and the results obtained in line with what is paid out. We must look into and reorganize various allowances or subsidies and realistically control new expenditures and new reductions in income. We must tighten up financial discipline and strictly control social or group purchasing power and supervise the distribution of bonuses. Public spending involving industrial, communications and commercial enterprises must be held down to 15 percent.

We must find ways to accumulate funds. We should concentrate funds that should and can be collected and earmark them to urgently needed production and construction projects and public facilities. Planning and financial departments at all levels must draw up comprehensive financial plans. With social economic interests in mind, they must rationally readjust and guide the direction where the distribution and use of money are concerned. They must give full play to the role of banks in raising and using money, seek an increase in urban and rural savings deposits, and strive to acquire some of the idle social funds for use on needed construction projects. The net amount of money put into circulation must be distributed according to instructions from the state. Rearrangements may be made, depending on the conditions in the second half of the year. The important thing is to ensure necessary investments in the procurement of agricultural and sideline products and in other products. Every effort must be made to increase the commodity or noncommodity turnover. Strict monetary control must be exercised. Loans must be granted according to plans. This should be done to continuously maintain a balance as far as credit is concerned.

4. We should continue to control the scale of capital construction and readjust the orientation in making use of investment.

The total amount of fixed assets investment this year is about 1.1 billion yuan. If this is divided according to administrative levels, 800 million yuan is allocated for local projects, which is slightly more than last year. If this is divided according to the nature of investment, the investment for capital construction is 930 million yuan, which is 2.9 percent more than last year. Since the margin for financial expenditure is already very narrow, we should not increase the investment. Likewise, since the shortage of timber and cement is also rather serious, the scale of capital construction should not be further expanded either.

Investment should mainly be used on projects to tap the potentials of existing enterprises and to carry out renovation and transformation in them, especially on projects to increase the capacity of producing superior products.

on a small number of long-term energy projects, on projects to complete water conservation works, to strengthen them in order to avoid accidents and to complete their conveyance system, on science, education, culture and health work, on housing in towns and cities, on public services, on commercial centers and networks and on building storage houses.

The investment in local budget is planned for 98 million yuan. If this is divided according to sectors, the investment is basically maintained at last year's level. Agriculture accounts for 37.8 percent; industry accounts for 11.3 percent; science, education, culture and health work account for 21.5 percent; commerce, grain, supply and marketing account for 5.4 percent; urban construction, housing and environmental protection account for 11.2 percent. A sum of 80 million yuan is allocated in advance for the province for extras, which is mainly to be used for construction in agriculture, forestry, water conservation works, meteorology and in light and textile industries, education and health work. In this way, with the exception of water conservation works, the percentage of investment in these major fields has all increased.

Investment of funds raised by respective units themselves is 341 million yuan (including 130 million yuan remaining from last year). This should be used as before on workers' housing, education, or health work, commercial networks and centers and on major production projects.

The loan of 200 million yuan granted by the Construction Bank and the People's Bank should be used on major projects that can be completed and put into operation this year and in 1983. This year, there are 106 projects for tapping potential, renovation and transformation in the light industry, textile industry and heavy industry (including 41 uncompleted projects from last year). When these projects are completed and put into operation at their designed capacity, they will add some 6 billion yuan to the output value, 87 million yuan to the profits and 160 million to taxes.

The key projects of this year are: 15 sugar refineries to be extended or built (30,000 tons of sugar); 6 textile mills to be extended or built (6 million spindles, 10 million meters of cloth); 3 cigarette factories to be extended (300,000 cases); the construction of the Yunnan phosphorous fertilizer plant to be continued; the Xiaolongtan, Tianba and Housuo coal mines; the Xiaolongtan Kengkou power station, the Yunxi Laochang tin mine, the Yunlong tin mine and the Pentabasic sodium phosphate plant; the provincial arts institute, the college of finance and commerce, the Dali Medical College, the Kunming Cultural Palace, relocation of the provincial broadcasting station, and the Kunming municipality's coal gas project for civil use. The area of workers' housing to be completed remains at last year's level. Projects whose preconstruction work is to be done are: extension of the Kunming plate glass plant, the construction of the Lijiang newspaper mill and the Huize lead-zinc ore mine No 70 plant and other key projects.



5. We should do a good job in balancing market needs and supplies and continue to keep prices basically stable.

In order to balance market needs and supplies, we must adopt the following measures: one is to strengthen commercial work, give full play to the role of state-owned commercial departments, promote commercial ventures owned by communes and production brigades and support collective and individual commercial activities. The second is to continue to check on storage and promote sales of overstockpiled commodities. The third is to actively purchase grain at negotiated prices and to market edible oils at negotiated prices within the province in order to increase the withdrawal of currency from circulation. The fourth is to cooperate with other provinces and exchange commodities with them in order to obtain those that are in short supply. The fifth is to make use of local foreign exchange to import a portion of expensive and rather expensive goods and their parts. It is planned to retail 4.74 billion yuan of commodities and efforts should be made to exceed this amount.

We should increase savings deposits and increase the withdrawal of currency from circulation without using commodities and appropriately control the growth of social purchasing power. In handing out bonuses to staff members and workers, we should strictly implement the State Council's regulations. We should use more of the profits retained by enterprises to develop production. We should not further raise the prices of agricultural and sideline products. We should ensure the fulfillment of basic targets for state procurement and assigned procurement. We should not extend the varieties or increase the extent of products for which the state offers higher prices after the tasks of procurement are fulfilled. We should strictly control the scope and extent for negotiating prices. We should strictly implement the existing policies for state procurement and assigned procurement. Starting from this year, we will revive the policy for assigned procurement of poultry and eggs. We should resolutely implement the policy of purchasing half and locally providing half of pig fed, volunteering to sell more and actively purchasing more. We should strengthen planned procurement and management of aquatic products and fruit.

We should further strengthen market management and price management. We should give play to the role of state-owned commerce and cooperative commerce in keeping down market prices. We should strictly forbid raising prices at will or raising prices in a disguised manner. We should resolutely hit out at speculation and profiteering, smuggling and tax evasion and keep market prices basically stable.

We should do a good job in handling goods and materials. We should continue to use the methods of distributing according to plans, giving priority in placing orders and free selection and purchase for means of production. We should make unified balance, planned distribution and allocation for goods and materials which are important or in short supply, such as steel and iron, nonferrous metals, timber, petroleum, coal, rubber, foundry products, automobiles, chief chemical products and plate glass, cement and so on. Ordinary

means of production can be purchased or marketed by anyone after approval is given in accordance with the limits of authority of goods and materials management in order to give better play to the role of market mechanism. Products such as tobacco, sugar, tea, timber, rubber, tung oil, rosin and coal, which are handled in cooperation with other provinces should still be under unified management of the province. If the quality and prices of products, including the means of production and daily-use industrial products, produced inside the provinces are the same as those produced in other provinces, priority should be given in using those produced inside the province.

We should make good plans for foreign trade. The volume of export commodities to be procured by the state this year amounts to 228 million yuan, which is 6 percent more than last year. We should gradually reform the structure of export commodities and increase the export of industrial products such as machinery and electrical products, chemical products and metallurgical products. The volume of export of these products is \$90 million, which is 4.7 percent more than last year. We are to introduce necessary technology, raw materials, key equipment, parts and components. It is planned to increase the volume of delivered import by 20 percent.

6. We should develop the economy and culture in border minority nationality regions.

We should make use of vast expanse of land in border minority nationality regions and the abundant resources there, give full play to the superiority of resources and take measures that are suited to the localities in order to promote agriculture, forestry, animal husbandry, sideline production and fishery and diversified economy. Localities where it is necessary to get grain from other places should actively develop grain production and gradually reduce the amount to be obtained from other places. Localities where sugar refineries have been built should plant sugarcane near these refineries and ensure these refineries have enough raw material. Localities where rubber trees grow well should actively encourage joint state-commune management while developing state management and collective management. We should fully implement the economic responsibility system in tea plantations and strive to increase tea production. We should fix the area of cultivated land and should forbid the opening up of new farmland by the destruction of forests. We should strengthen the protection of forests, plant trees and ensure that the trees are growing well. We should assist the development of products that have a high output value, provide large economic returns, have a vast market and are easy to transport such as tung oil, walnuts, edible oils of woody plants, timber for industrial use, rosin, shellac, lacquer, medicinal herbs and the rhizome of Chinese goldthread. We should do a good job in building bases for animal husbandry once their locations are designated and should attach importance to increasing draught animals. We should strive to develop small-size collectively-owned industries that depend on local resources, are operated manually or semi-mechanically and mainly recruit workers and staff members from among minority nationalities.

We should increase our support to science and technology. We should actively train students of minority nationalities and do a good job in training workers and staff members of the various minority nationality people. We should employ various forms such as sending people out, inviting people to come, running training sessions and signing relevant contracts to organize in a planned way and by steps and in groups cadres of the minority nationalities to acquire knowledge of science and technology, health work, industry and agriculture and to gradually raise their cultural and technological levels.

We should have unified planning for various funds especially allocated by the central authorities or the province for supporting border minority nationality areas and coordinate their implementation, while departments formerly responsible for this work remain the same. This year, the number of economically underdeveloped counties that received funds for supporting their development is increased from last year's 32 to 40. Special meetings have been convened to make plans for this.

Localities and departments concerned are earnestly organizing the construction of projects on border areas which are planned by the state for preparing against war and they are striving to complete their tasks. Localities and departments concerned should also make proper plans for the construction of projects on the border areas that are without special funds from the state for supporting the frontier to prepare against war such as those for public security, posts and telecommunications, transport, broadcasting, health work, and commercial networks and centers for supporting the frontier. They should carry out such construction according to their capability and implement the principle of linking their work in time of war with that in time of peace.

#### 7. We should strengthen science, education, culture and health work.

This year, it is planned to carry out 59 major scientific research projects and to publicize the results of 40 projects. In agriculture, we plan to publicize the results of scientific research on improving red soil, selecting and breeding fine varieties, using mixed feed and preventing and stopping insect pests, to speed up the research on special topics such as troubles caused by low temperature, rice blast and diseases of domestic animals, to continue the investigation on agricultural natural resources and to do a good job in agricultural zoning. In industrial scientific and technological work, we should mainly serve the technological transformation and the renewal of equipment in enterprises by providing new technology, new processes and new products. We should make achievements in improving the quality of products, increasing varieties, lowering the cost of production and saving raw materials and fuels. We should grasp firmly the research on major projects such as new processes for sugar refineries, comprehensive use of nonferrous metals, low-alloy molds and preventing mud-and-rock slides in order to publicize and put into practice earlier the results of these research projects.

In education, we should give full play to the enthusiasm of provincial, prefectural and county departments and enterprises and adopt various forms to run schools. We should strengthen our work in training teachers, improving teaching quality, raising teaching level, repairing old houses, buying new desks and benches and extending and building necessary houses for schools. In addition to an increase of 18 million yuan planned for education this year, the provincial CCP committee and the provincial government have again increased the funds for education and capital construction investment from the provincial budget (including a portion left over from last year and to be used this year) by 20.5 million yuan. Prefectures, autonomous prefectures, municipalities and counties will also appropriately increase funds for education.

We should continue to adjust the curriculum of institutes of higher education, cut down courses which too many students are already studying and strengthen courses of light industry, textile industry, finance, economy, politics and law. It is planned to enroll some 6,200 college and university students this year, about 800 more than last year.

We should continue to restructure secondary education, control the expansion of ordinary senior middle schools, develop vocational education and do a good job in running secondary technical schools. This year, the enrollment of students of vocational schools is to increase by 6,000, those of secondary technical schools by 200, those of senior middle schools by 6,000 and those of junior middle schools by 61,000.

We should grasp firmly the work of making primary education universal. We should encourage school-age children to go to school and strive to restore within this year the percentage of school-age children at school to the level in 1978. This year, the enrollment of primary school students is to increase by 30,000.

We should strive to develop education for staff members and workers. The number of mature students in institutions of higher learning is to increase by 25 percent this year and the number of students in spare-time schools by 200 percent. Enterprises which do not have enough work to do should give rotational training to their excess workers and staff members. All departments in charge of economic management should continue to grasp well the work of giving technical training to cadres.

There will be new development in culture, health work, physical culture, broadcasting, television, newspapers and publication.

6. We should speed up the economic development of the collective economy in towns and cities and provide more jobs.

Vigorously developing the collective economy and appropriately developing the individual economy in towns and cities is not only a chief means to provide jobs in towns and cities, but also an important aspect of the entire economic development. This year, the industrial output of collectives in



towns and cities is to reach 840 million yuan, an increase of 8 percent. The volume of business in commerce, service trades and restaurants is to reach 490 million yuan, an increase of 20 percent. It is planned to provide jobs for 80,000 people awaiting employment in towns and cities.

The orientation for developing the collective economy in towns and cities is to develop handicraft and small-scale industry suiting measures to local conditions, do a good job in processing agricultural products and in the production of the means of production for agriculture, things needed by the minority nationalities, miscellaneous commodities that are in short supply and local traditional products. We should make a great effort to develop commerce, restaurants, service trades and various kinds of repair services. In developing the collective economy in towns and cities, we must earnestly implement the relevant principles, policies and regulations issued by the central authorities and the province. We should give active support to the collective economy in funds, taxation, distribution, prices, supply of goods and space for operation. This year, 20 million yuan is being taken from the provincial budget for the provincial investment and trust company to grant low-interest loans in order to assist the development of the collective economy in towns and cities.

We should link the development of the collective economy in towns and cities with that of the individual economy and the construction of small towns and cities. We should put them under unified planning and do our work in this respect step by step. First of all, we should do a good job in the construction of prefectural, autonomous prefectural and municipal seats, vital communication lines, county towns and towns and cities close to mines and state farms. We should first solve urgent problems in accordance with the financial capability of respective localities.

9. We should continue to improve the people's livelihood on the basis of developing production.

With the development of production and the growth of labor productivity, the income of the people in cities and in rural areas will continue to increase. The consumption level of urban residents will increase by 3.3 percent and that of rural residents by 5.4 percent.

We should continue to improve the living conditions of urban and rural residents. The total area of living quarters to be completed in towns and cities this year will be maintained at the same level as the past 2 years. We should do a good job in planning, designing and supplying construction materials for building houses in rural areas.

We should give good production to environment. In building, extending or transforming a project, we should make arrangements for treating the "three wastes." If contamination or pollution of existing enterprises is serious, improvement should be made as soon as possible. We should improve social

welfare, strengthen labor protection, pay attention to safety in production and improve the people's medical and health conditions. We should continue to do a good job in family planning and strictly control the growth of population. The rate of natural population growth should be under 16 per thousand.

### III. Inspire Enthusiasm, Work Well and Strive to Fulfill and Overfulfill the 1982 Plan

According to the central authorities' decision, we should grasp the building of material civilization and spiritual civilization at the same time. We should continue to shift the focus of our work to economic construction. At the same time, we should resolutely implement the principle of putting politics in command and ideology in the lead. We should greatly heighten our aspirations, go all out to make our country strong, keep forging ahead and strive to make greater progress in these two aspects. At the fourth session of the Fifth Provincial People's Congress, Provincial Governor Liu Ningui gave a government work report which has comprehensively expounded work that needs to be properly done this year. Now, in light of the present reality, I would like to say a few words about several major items of work that we must grasp well:

#### 1. Readjust the national economy in a thoroughgoing way.

As put forth by Premier Zhao in the government work report, the work of readjusting the national economy involves: 1) proportionate relations; 2) economic structure; and 3) reform of the system. Only when the proportion is coordinated, the structure is rational and the management system is scientific can the task of readjustment be considered fulfilled.

We must continue to readjust the economic structure this year. While tackling grain production for agriculture, we must go all out to promote the diversified economy, so that the proportion of grain production and the diversified economy will be rationally harmonized. In particular, prefectures which have not yet gotten rid of the single-product economic structure to date must speed up their pace of readjustment in order to bring about an overall development of agriculture, forestry, animal husbandry, sideline production and fishery. Enterprises run by communes and brigades must carry out readjustment and rectification in accordance with the production and the daily needs of people in the rural and urban areas. They must suit measures to local conditions and bring the superior features into full play so as to strive for greater development. Regarding industry, we must continue to readjust the proportion between heavy and light industry and fully utilize the superior features of the natural resources in the province. We must devote major efforts to promoting the light and textile industries such as the food industry, the production of consumer goods for everyday use, and fabrics, and strive to manufacture products which are cheap and of fine quality, which are of new

designs and which provide a variety of choices, in order to meet the needs of the market and satisfy the demands of the people in the rural and urban areas. As for heavy industry, we must focus on readjusting the orientation of service and do a better job of serving agriculture and the consumer goods industry. We must integrate the rectification of enterprises, continue to do a good job in readjusting enterprises and in readjusting the product mix, and the technological and organizational structures of enterprises in a planned and systematic manner, and bring the role of the existing enterprises into full play.

2. Put the agricultural production responsibility systems on a sound basis and perfect them.

In putting the agricultural production responsibility systems on a sound basis and perfecting them, we must seriously implement the spirit of the central instructions and maintain the principle of acting in light of local conditions and providing appropriate guidance. The responsibility systems now in force, including remuneration for small contract work norms, linking remuneration to output for specialized contracting, linking remuneration to output for each laborer, setting fixed output quotas for each household, group and household, and assigning the land to the households and groups in return for fixed levies, and so on, are all production responsibility systems in the socialist collective economy. Whichever type is adopted, it should not be changed at will, unless the masses demand a change. In responsibility systems for diversification, we advocate unified management and instituting specialized contracting for each group, household, or laborer, according to the nature of the work. This helps promote the development of commodity production.

As far as their significance and the amount of work done is concerned, the agricultural production responsibility systems are no lighter than the land reform and cooperativization. The issue is complex and a lot of work has to be done. Leaders at all levels must go deep into the grassroots, investigate and study, train the cadres in a planned way, sum up experience, unify understanding, solve the practical problems, and thus ensure the further perfection of the responsibility systems now in force, including those in agriculture, forestry, animal husbandry, sideline occupations and fisheries.

3. Seriously straighten out the enterprises.

Straightening out the enterprises is the most effective means of tapping enterprise potentials, improving economic returns, and increasing financial revenue. In accordance with the plans of the provincial CCP committee and government, the provincial departments and bureaus and the prefectures, autonomous prefectures, municipalities and counties have transferred large numbers of cadres into investigation teams, which have already gone into the

enterprises to straighten them out. All-round straightening out of the enterprises includes rectifying the leadership groups, the worker force, management systems, labor discipline, financial and economic discipline, and party work style, and strengthening ideological and political work.

The first thing to be done in straightening out the enterprises is to perfect the economic responsibility systems. We should integrate instituting economic responsibility systems with strengthening planning management, so that the enterprises will be able to carry out production according to the state plans and social needs. We should integrate instituting economic responsibility systems with improving management, map out responsibility systems for every worker, and stimulate the enterprises to improve management and carry out technical reforms. We must avoid onesidedly pursuing profit in isolation from improving product quality, increasing variety and cutting production costs. The aim of linking the workers' interests with the management performance of the enterprises is to mobilize the enthusiasm of the workers, better tap enterprise potentials, improve economic returns, and truly ensure that the state makes more revenue, the enterprises retain more, and the workers gain more, with the increase in state revenue as the premise. The income of the workers should be based on the principle of "first, eat, second, carry out construction," and basically stabilized at the current level. It cannot be increased too much. We must be sure to look ahead and behind and take consideration for our neighbors. Appropriate guidance should be provided in light of the specific conditions of an enterprise; we should not impose uniformity regardless of the specific conditions. We must first straighten out those backbone enterprises that have a big effect on the national economy, and at the same time get a good grasp of enterprises where there are many problems in the leadership groups, and management is chaotic and economic returns poor, and also enterprises that produce consumer goods closely related to the people's daily life.

#### 4. Attach importance to science and technology.

We must rely on the policies and on science in developing the national economy. The peasants' enthusiasm for studying and learning science has kindled, while the workers in industry, communications and commerce are also doing well in learning technology, professional work and management. We must put the study and application of science and technology in an important position and bring their role into full play in production and construction.

We should closely integrate scientific research with production. Research units in the industrial and agricultural departments should concentrate on research in applied technology and actively serve production. Research departments in industry should concentrate their research on energy conservation, technical reforms and so on. The research units in agriculture should concentrate their research on developing fine-strain seed, preventing and treating plant diseases and insect pests, and dealing with livestock diseases and so on. We should do a good job in popularizing and applying

the fruits of science and technology, introduce the fruits of research and new technology into production as quickly as possible, and rapidly translate them into actual productive force.

We should actively promote the contract system of linking science and technology to production, link the fruits of scientific research with the special interests of science and technology personnel, and bring into full play the role of the research organs and technical personnel in economic construction.

We should further study all good experiences, and learn from the advanced management experiences and production technology of Shanghai and the coastal areas. This year we have already organized over 100 economic cooperation projects with other provinces. This effort should be further developed. We should also send people elsewhere to learn in a planned way. In this way we will be able to make better use of the province's advantages in resources, draw in technology and capital from other provinces, and speed up the development of Yunnan's economic construction.

5. Get a good grasp of technical reform and equipment renewal.

An important item of work this year is to carry out technical reform and equipment renewal in a planned way in the existing industrial and communications enterprises. Technical reforms should mainly be concentrated on economizing energy and raw materials, reducing input consumption, improving product quality, increasing variety, developing the productive force, making rational use of resources, and improving the level of multi-purpose utilization. We should first tackle technical reform measures that produce great and rapid results, resolve to scrap some old equipment with high input consumption and low efficiency, and assign an important position to replacing old motor vehicles and improving high-consumption boilers.

6. Strengthen ideological and political work in the economic field.

In accordance with the central instructions, while getting a good grasp of building material civilization, we must get a good grasp of building spiritual civilization and strive for a decisive turn for the better this year in our party work style, social practices and social order.

We should uphold the principle of putting politics in command and ideology to the fore and carry out ideological and political work in our economic work. We must teach the peasants to maintain the socialist orientation, work hard to increase production and follow the road of getting rich through labor; we must seriously implement the guiding principle of taking the planned economy as the primary factor and regulation by market mechanism as supplementary, and fulfill and overfulfill the state procurement quotas on the basis of developing production, so as to make greater contributions to the state. We must teach the workers on all fronts to uphold the four basic



principles, brace their revolutionary spirit, establish the good ideology of loving the party, the state, socialism, their enterprise, the collective, and their jobs, establish the concept of the overall situation and spontaneously subordinate individual to collective interests, partial interests to overall interests, and current interests to long-term interests. They should work hard and make their proper contributions to building the four modernizations. We must regard unfolding the "five stresses and four beautifuls" activities as a major content of ideological and political work in the economic field. We must promote the civility and courtesy drive in March, and organize the people of all nationalities in the province to take part in building socialist spiritual civilization.

Committee members, the general situation in Yunnan is getting better every year, and we believe it will be still better this year. The Central Committee has pointed out, this should be a year of boosting our ambitions, working hard for the prosperity of the country, actively forging ahead, and achieving still greater success. We will resolutely respond to the Central Committee's call. Under the provincial CCP committee's leadership, we will do all our work still better and more soundly and effectively, and go all-out to improve economic returns and fulfill this year's plans!

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## ECONOMIC PLANNING

### TIANJIN CITY'S 1981 RESULTS, 1982 PLANS PUBLISHED

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["Excerpts from report by municipal mayor and planning commission chairman Guo Chunyuan [6753 2504 0626] on Tianjin's economic performance in 1981 and the national economic plan for 1982, delivered at the third session of the Ninth Tianjin Municipal People's Congress held on 29 March 1982"--slantlines denote boldface]

[Text] I. Fulfillment of the 1981 national economic plan

Tianjin carried out the national economic plan well in 1981. There was steady development in all fields during the readjustment.

/There was a steady and sustained increase in industrial production./  
Tianjin's total industrial output value was 6.5 percent higher than the previous year, surpassing the originally planned 6 percent increase. Light industry continued to sustain a relatively high growth rate, registering an increase of 16.4 percent over 1980. Being confronted with a relatively arduous task of changing its service orientation, the heavy industrial production decreased by 4.8 percent. Railway and road transport, harbors and shipping on inland waterways fulfilled or overfulfilled the annual transport plans.

/The economic results of industrial production were improved to some extent./  
The quality of over 80 percent of major products was stable or improved. Comparable product costs decreased by 0.45 percent. The estimated profits of local state industrial enterprises increased by 2.5 percent; the profits handed over to the higher authorities increased by 0.05 percent. For every 10,000 yuan's worth of output value, the consumption of energy decreased by 5 percent and that of water dropped by 27.1 percent. An increase of 5.5 percent in the municipal national income was estimated.

/The structure of industry continued to gradually become more rational./  
Through further readjustment, another batch of heavy industrial enterprises the production tasks of which were seriously insufficient, were shifted to the manufacture of consumer goods, thus giving priority to the development

of key consumer goods trades and brand-name products. The production of the 18 key consumer goods trades of the whole municipality in 1981 went up by 18.2 percent, a growth rate higher than that of light industry as a whole. The ratio of light industrial output value to total industrial output value increased from 53.2 percent in 1980 to 58.1 percent. The product mix also improved. Heavy industry also began to readjust its service orientation; the ratio of the output value of the machine-building industrial products which served light and textile industries and export trade to the total output value of heavy industry increased from 5.8 percent in 1980 to 13 percent in 1981.

/There were new advances in technical transformation./ The number of local industrial projects involving tapping potential, innovation and transformation measures in 1981 was 75.3 percent higher than in the previous year. The number of projects which were completed and commissioned was 548. Reckoned in terms of annual planned capacity, the projects will add a further 1.2 billion yuan of output value.

/Despite such natural disasters as serious drought, and particularly under a situation where the communes members made necessary sacrifices in order to ensure urban water use, some achievements were still attained in agriculture./ The total agricultural output value registered an increase of 4.3 percent over the preceding year. The total grain output value witnessed a decrease of 20 percent compared with the previous year. Of the volume of vegetables planned to be brought onto the market, 89.7 percent was fulfilled. There were relatively big increases in industrial crops such as cotton and oil-bearing crops. The output of oil-bearing crops totaled 900,000 dan, 180 percent of that plan. In the animal husbandry production, the number of sheep and chickens raised was respectively 44 percent and 9.6 percent higher than the previous year. The number of pigs raised dropped by 11 percent.

/Substantial achievements were made in capital construction which took recovery and reconstruction after the earthquake disaster as the center./ In accordance with the requirements of the state concerning the curtailment of the scope of capital construction, a further 42 projects were slashed as the beginning of the year. The amount of investment poured into capital construction in the municipality was 5.4 percent less than in the previous year. The projects of recovery and reconstruction after the earthquake disaster went on at an accelerated pace. The amount of money spent was 86.3 percent more than in the preceding year. Total floor space of dwelling houses completed was 3.12 million square meters. In the aspects of quantity, quality, average per capita work output and rate of completion and availability a municipal record was achieved. All the sheds built for temporary use in the streets and public places were removed. Of the amount of investment used in capital construction which was completed last year, productive investment constituted 40.3 percent and nonproductive investment



amounted to 59.7 percent. In other words, the funds used for the people's welfare substantially surpassed those used in production and construction. This was necessary in the special situation in which the municipality urgently sought recovery after the earthquake disaster.

/There were increases in both domestic and foreign trade./ The supply of commodities was ample and the market was brisk. The total volume of retail sales of social commodities in 1981 was 102.3 percent of that planned, an increase of 9.4 percent over 1980. The range of commodities in short supply was somewhat reduced. Commodity prices were basically stable but the retail price index was 1.5 percent higher than the previous year. Foreign trade continued to develop. The commodities procured for export increased by 12.9 percent over 1980. The foreign currency gained from exporting locally produced commodities increased by 2.7 percent over 1980. New progress was made in utilizing foreign capital and introducing technology and equipment from abroad.

/State financial revenue targets were fulfilled and withdrawal of currency from circulation increased by a big margin./ Of the state financial revenue targets, 100.2 percent were fulfilled. The currency withdrawn from circulation exceeded by 81.4 percent that for 1980.

/There were further advances in scientific, educational, cultural and health undertakings./ Under the situation where last year our country had financial difficulties and curtailed the scope of its capital construction and administrative expenditure, the expenditure earmarked for developing scientific, educational, cultural and health undertakings and the investment in construction still increased to some extent. The annual investments made by using state budgetary allocations, the special earthquake disaster reconstruction fund and the municipality's emergency reserve funds increased by 35.2 percent over the previous year. The newly completed areas built for universities was 63,000 square meters and that for primary and middle schools, 71,000 square meters, thus fulfilling the needs of newly admitted new pupils and students. The total number of added hospital beds was 1,190. The restoration and reconstruction of the central hospital for gynaecology and obstetrics was completed. The total number of hospital beds reached 21,987 or 5.1 percent more than in the previous year.

/Employment increased and the people's livelihood continued to improve./ The municipality provided 186,000 people with jobs. Of these, 94,000 people were employed in collective and individual economic units. The average number of people supported by every employed person decreased from 0.54 percent in 1980 to 0.48 percent. The total wage bill for staff members and workers registered a rise of 3.1 percent over the previous year. The average per capita income of the peasants was 7.2 percent more than 1980.

/The population growth rate exceeded the plan./ Influenced by the population growth peak, the 1981 national growth rate of the whole municipality was 11.94 per 1,000, exceeding the planned target of 8 per 1,000. This was an increase of 4.69 per 1,000 over 1980. At the end of 1981, Tianjin had a population of 7,603,000,000, an increase of 114,000 people over the previous year.

The major problems existing in the 1981 national economy were as follows:

1. The improvement of economic results were not rapid and the results were still relatively low. 2. Criminal activities in the economic field were fairly serious and the evil practices of violating financial discipline and damaging the interests of the state developed to some extent. 3. In some sectors of the national economy, the planned economy was somewhat weakened and liberalization trends developed somewhat. 4. Our planning work was fairly backward and we were not in a position to adapt ourselves to the requirements of the planned economy in the new period in every aspect, such as methods, means, tools and organization.

#### II. Suggestions for Arranging Plans for the 1982 National Economy

The main tasks for developing the national economy of the municipality in 1982 are to resolutely implement the 10 principles for economic construction; uphold the principle of taking planned economy as the dominant factor and regulation by market mechanism as the supplementary one; consolidate the results already gained in stabilizing the economy and by taking the improvement of economic results as the fundamental point of departure, continue to readjust the economic structure and strive for a certain practical and unexaggerated growth rate so as to ensure the steady and healthy advance of the national economy.

The major plans and targets for the 1982 national economy are arranged as follows:

1. Industry. We will continue to readjust the product mix, the technological structure, the enterprise and organizational structure, further vigorously develop the production of consumer goods and readjust the service orientation of heavy industry. We will carry out the overall reorganization of enterprises in a planned and orderly way and accelerate the pace of technical transformation and of equipment innovation. An increase of 6 percent in the total industrial output value is expected. Of this, the increase in the output value of light industry will be 10 percent and that of heavy industry, 0.6 percent.

2. Agriculture. We will continue to implement the principle of suburban agriculture serving the cities and substantially develop the production of vegetables and nonstaple foods, such as meat, fish, eggs, poultry and milk. We will further readjust agricultural structure in ways which suit local specific conditions and at the same time while not relaxing

grain production, we will enthusiastically develop a diversified economy, uphold ensuring an overall development of agriculture, forestry, animal husbandry, sideline occupations and fishery and strive to improve the comprehensive results of the agricultural economy.

3. Capital construction. We will continue to take the recovery and reconstruction work after the earthquake disaster as the center and still put the building of dwelling houses in the first place. At the same time, we will ensure the progress of the project to divert water from the Luanhe River and arrange well construction projects in other fields. The total scope of investment in capital construction of the whole municipality will increase by 13 percent over last year. Every builder in building construction enterprises is required to complete 10 percent more floor space than last year and it is planned that project costs will be reduced by 3 to 5 percent.

4. Commerce and foreign trade. An increase of 7 percent over the previous year in the retail volume of social commodities is expected in 1982 according to market forecasts and estimates and calculations of purchasing power. The circulation expenses of commodities are required to be reduced by 5 percent. The purchasing targets passed down by the state to foreign trade departments for this year will be 6 percent higher than last year. It is imperative for the foreign trade departments to actively expand both the purchase of export commodities and their export, make strenuous efforts to develop the foreign market, improve operations and management, reduce the costs of exchanging foreign currency and attain better economic results.

5. Finance and banking. Fulfillment of the municipal financial revenue tasks in 1982 will be very arduous and call for our herculean efforts. This is because of such factors as the reduction in commodity prices and the increase in the repayment of loans. These factors will reduce our financial revenue and hamper efforts to fulfill the 1982 municipal financial revenue tasks and the tasks of withdrawing currency from circulation.

6. Science, education, culture and health work. The investment arranged in the capital construction of the scientific, educational, cultural and health departments in 1982 will be 41 percent more than that of last year.

7. Population and labor employment. The natural population growth rate of the whole municipality in 1982 is planned to be 14 per 1,000, an increase of 2 per 1,000 over 1981. This target must not be exceeded. Very close attention must be paid to family planning. There are 168,000 people in the small cities and towns of the whole municipality who are awaiting jobs. The main way out in a solution to labor employment is to develop collectively and individually run commerce, catering trades, repair and renovation services, house-building trades and various handicrafts.

### III. Do a Good Job in This Year's Economic Work With the Attainment of Better Economic Results as the Fundamental Point of Departure

The aim of further readjusting our economy is to thoroughly change the conventional methods which have evolved over the years under the influence of the "leftist" ideology and, proceeding from the actual conditions in China, blaze a new trail characterized by a fairly steady tempo and better economic results, which yields more substantial benefits to the people. Around this center, this year stress should be laid on doing a good job in the following tasks:

1. Concentrate strength on carrying out enterprise reorganization. Carrying out the overall reorganization of state industrial enterprises within the coming 2 or 3 years in a planned and orderly way by stages and in groups is the most important task in the municipality's economic work. This year it is necessary to carry out well the reorganization of the first group of key enterprises. Enterprise reorganization should be carried out in accordance with the decision of the CCP Central Committee and the State Council concerning the overall reorganization of state industrial enterprises. It is necessary to manage the leading bodies, the ranks of staff members and workers, the management system, labor discipline, financial and economic discipline, the party's work style and ideological and political work in managing the work of enterprises in an overall manner. It is also necessary to carry out the 3-items of construction and to fulfill the requirements for the 6-goods.

2. Carry out the renovation of equipment and technical transformation in key units. Technical transformation is a strategic task, a task which we should put in a conspicuous position and the pace of which should be accelerated. An initial decision has now been worked out that this year the municipality should arrange 874 technical transformation projects, of which the projects of which construction is continuing number 442 and the newly arranged projects number 432. These projects mainly involve the technical transformation of energy and water conservation projects, the key consumer goods trades and their related accessory trades and the readjustment and transformation of the machine-building industry.

3. Uphold the principle of taking planned economy as the dominant factor and regulation by market mechanism as the supplementary one. The general spirit is to combine the strengthening of the centralization and unification of the macroeconomy with the revitalization of the microeconomy; to uphold the practice under which there are small freedoms in an overall plan and limited decentralization in all-embracing centralization; and to overcome the tendencies of selfish departmentalism and decentralism which disregard the interests of the state. In industry, we must produce goods, the supply of which is excessive and the production of which is limited, strictly according to a plan and ensure production does not exceed the plan. As for the products needed by the people, even though they only promise meagre profits, we must also ensure their planned output and not reduce production.

the starting of new enterprises or the expansion of the production capacity of existing enterprises must be carried out in accordance with the development programs and annual project plans. Duplication in construction and blindness in development must be avoided. Without the approval of the planning departments, the processing tasks of the commercial and foreign trade departments must not be arranged at will with the small squeezing the big. The peasants of the suburbs must give first place to growing vegetables and conscientiously ensure the acreage under vegetables. A measure of signing vegetable production contracts between the state and the production teams in vegetable-growing areas should be introduced. It is necessary to directly link up the variety and quantity of vegetables provided by vegetable growers with the grain and edible oil as well as the means of production, such as chemical fertilizers, agricultural chemicals, diesel oil and plastic film, with which the state supplies the former. A measure of assigned purchase of live pigs and fresh eggs should be practiced. The development of industrial crops depends mainly on the utilization of uncultivated land. The acreage under grain crops must be firmly maintained and its continued reduction must be brought to an end.

4. Harmoniously handle the relationship between economic construction and the improvement of the people's livelihood. Over the 3 years from 1979-1981, the funds used in improving the people's livelihood were equal to 33.5 percent of the municipality's financial revenue for the 3 years. To ensure the long-term development of the national economy, it is now necessary to appropriately control the growth of consumption so as to enable the state to have more financial resources to be used in its construction. This will conform with the fundamental interests of the people.

5. Continue to do a good job of the large-scale investigation of financial affairs combined with dealing blows at the criminal activities in the economic field. At present, the on-going large-scale investigation of financial affairs must be carried out in real earnest. Through this investigation, it is imperative to severely crack down on economic criminal activities, end various unhealthy tendencies of violating financial discipline and check every form of tax evasion.

6. Attach importance to the role of science and technology and strive to apply the scientific and technological findings to production. To counter the present problems which have cropped up in production and which need urgent solution, it is necessary to vigorously organize scientific and technological forces to cooperatively tackle key problems. In order to better dovetail science and technology with economic development, last year, under the guidance of the State Planning Commission, the scientific planning and economic commissions of the municipality jointly organized bicycle and knitting trades and carried out the experiment of the "three-in-one" program combining the economy, science and the social development. This year we will spread this experience in working out a "three-in-one" program in the 18 key trades for consumer goods and their related accessory trades.



7. Continue to expand foreign economic trade and carry out economic integration and technical cooperation with fraternal provinces and municipalities. Enthusiastically expanding foreign trade and boldly utilizing foreign capital is of great strategic significance in quickening the pace of our economic development. This year we are resolved to do our work well in this respect and at a more rapid pace. Carrying out economic integration and technical cooperation with fraternal provinces and municipalities is a new task, a new way out and a new method in planning work. In the future, a considerable part of state plans will be based on regional economic cooperation. In terms of regulation by market mechanism, there is also a part of state plans which require mutual cooperation between different regions. In 1982 it is necessary to further give more effective leadership to this work, constantly sum up experiences and under the guidance of state planning, open up new prospects.

8. Strengthen the checking of economic results. To conscientiously attain better economic results in the various departments of the national economy, it is imperative to strengthen the checking of performance results like we have done in the checking of quality and speed. In the plans which are to be passed down this year to the lower levels, we will concurrently include related economic and technical targets, such as quality, variety, the trial manufacture and commissioning of new products, the consumption of major raw and semifinished materials and energy, labor productivity, the utilization rate for equipment, the cost reduction rate, the reduction rate for the circulation of funds, and the rate for capital turnover and profits. We will urge all the economic departments and enterprises to carry out regular analysis and examination in the course of the implementation of the plans, and really put an end to the practice under which for many years, one-sided emphasis has been put on output value and production output at the expenses of the economic results.

CSO: 4006/417

## ECONOMIC PLANNING

### HEBEI PROVINCIAL GOVERNMENT WORK REPORT

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[Government Work Report delivered by Governor Li Erzong at fourth session of the Fifth Hebei Provincial People's Congress on 30 March-- passages within slantlines denote boldface]

[Text] Dear Representatives,

At the third session of the Fifth Provincial People's Congress which was held last October, the provincial government made a report on the situation of work in 1981 and the tasks and measures in 1982. In January this year, the departments concerned of the provincial government made a report on the province's situation of financial, commodity price and social order situations and so on at the 12th session of the Standing Committee of the 5th Provincial People's Congress. Therefore, at this meeting and on behalf of the provincial government, I submit a report for approval focusing on the questions of implementing the 10 principles for economic construction proposed by Premier Zhao Ziyang at the fourth session of the Fifth NPC, upholding economic construction as the key, and promoting the building of material and spiritual civilization.

#### I. Situation of Work in the Past 5 Months

Over the last 5 months since the previous provincial people's congress meeting, with the concern of, and under the leadership of, the CCP Central Committee and the State Council, the provincial government has, while thoroughly implementing the spirit of the 6th Plenary Session of the 11th CCP Central Committee and the Hebei work conference, criticizing the "leftist" mistakes, turning chaos into order and doing a good job of implementing the policies and rectifying the leadership groups, further strengthened leadership over economic construction and emphatically grasped the following work: First, from the beginning of the last quarter of last year, it started to make serious preparations for this year's industrial production. By means of carrying out investigations and research and adopting methods of collective "consultations," responsible comrades of the provincial CCP committee, provincial government and various economic bureaus have coordinated

efforts, solved contradictions and implemented measures for increasing production. At the same time, a large number of cadres were organized to work in the first line before and after the new year and the spring festival. This strengthened concrete leadership and provided a relatively good start for this year's industrial production. Second, the provincial government mobilized the people throughout the country several times last winter and this spring to launch with a strong will the struggle for fighting drought and thus ensure spring sowing and the summer harvest. Simultaneously, the provincial government also promptly gathered funds and allocated seeds, petrochemical products, farm chemicals, diesel and other materials to reinforce the struggle for fighting drought and for reaping a bumper harvest. Third, the provincial government has organized some responsible comrades of the economic departments and some engineers and technicians to study advanced experiences in Shanghai, Jiangsu and Guangdong. It has also signed contracts for economic and technical cooperation projects with other provinces and municipalities, speeding up work in enlivening the province's economy and developing production. Fourth, it has organized forces to carry out conscientious inspections on the implementation of financial and economic discipline in all enterprises' units throughout the province. Cases of handling funds in violation of financial and economic discipline and tax evasion involving a total of more than 297.9 million yuan were checked. The financial departments have already recovered some 117 million yuan. This has played a vigorous role in stopping up loopholes, being strict with financial and economic discipline and promoting enterprise management. Fifth, the provincial government has commended, in a clear-cut way, a large number of model workers and advanced progressives on various fronts. By learning from the death-defying spirit of the Chinese women's volleyball team, carrying forward the fine work style of Daqing, taking the No 2 construction company of Handan municipality as an example and extensively and profoundly launching the socialist campaign of emulating, learning from, overtaking and helping others, the enthusiasm of the masses in the province in building material and spiritual civilization has been aroused.

In the past 5 months and by means of arduous struggle by the broad masses of cadres and people, a relatively good situation has appeared in the province's industrial and agricultural production and in other kinds of work. As far as industrial production is concerned, a total output of 3.358 billion yuan was achieved in January and February, showing an increase of 9.7 percent over that of the corresponding period last year. Light industrial and textile production increased by 15.5 percent over that of the corresponding period last year, maintaining the growth rate since the implementation of the readjustment principles in 1979. Heavy industrial production increased by 4.5 percent over the corresponding period last year, improving the declining situation. The economic returns have been relatively improved. The gross output in January and February of industrial enterprises included in the province's plan was 1.88 billion yuan, showing an increase of 7 percent over the corresponding period last year; the actual profits were 197 million yuan, showing an increase of 8.5 percent over the corresponding period last



year. The number of enterprises which have been running at a loss fell by 129 compared with that of the corresponding period last year, and the amount of losses decreased by 30 percent. The province has also made remarkable achievements in transportation and communications and capital construction. The rural situation is far more promising. There have been profound changes in the peasants' material and cultural life and their mental attitude. A prosperous scene of growing rich by means of developing production, hard labor and constructing new socialist villages is found everywhere. Despite the severe drought which lasted for 4 consecutive years, the broad masses of cadres and people have been resolutely launching an anti-drought struggle. Fallow land that needs to be plowed under in the spring because it was not done so in the previous autumn or winter and irrigated wheat cultivation areas in the province increased over the previous years. The situation of wheat cultivation has been improved and so long as we work hard, it is possible for us to reap a bumper wheat harvest in summer. The situation of financial revenue has also been improved to a certain extent. As of mid-March, the province had fulfilled a total financial revenue of 670.82 million yuan, showing an increase of 12.3 percent over the corresponding period last year. The markets are lively and the prices are basically stable. We have obtained good results in various kinds of work such as science and technology, education, literature and art, public health, physical education, and planned parenthood. There has also been a further turn for the better in the social mood and social order.

The above-mentioned results that we have obtained are only preliminary and we cannot overestimate them. Problems such as insufficient implementation and insufficient supervision are still found in our work. We must, on the basis of obtaining relatively good results in the beginning of the year, continue to work hard, be cautious and conscientious, do a good job of our work and promote economic construction and other kinds of work.

The general targets of endeavor for the province's economic construction in 1982 are: To consolidate and stabilize the economic results, maintain a balanced budget and basic price stability, strive to improve the economic returns, and ensure that a certain growth rate is maintained in the national economy. The specific demands are: gross agricultural output should be increased by 4.3 percent over last year. Grain output should reach 33 billion jin and show an increase of 4.8 percent over last year's production; cotton production should reach 607 million jin and show an increase of 37.9 percent; production of oil-bearing crops should reach 1 billion jin and show an increase of 7.5 percent. We must strive for better development in forestry, animal husbandry and diversification. Total industrial production should be increased by 4 to 5 percent over last year. Of this, light industrial and textile industry should be increased by 6.5 percent and heavy industrial production by 1.8 percent. Our province's financial revenue task this year allocated by the state is 3.406 billion yuan. In achieving the above-mentioned targets of endeavor, we will encounter many problems and difficulties. Our province has not fundamentally changed the

backward and passive economic situation. Although we managed to maintain a balanced budget last year, it was achieved under the circumstances of cutting down expenditures and was far from being consolidated. Financial tasks this year are still tough. There is still a gap between the province's social purchasing power and the supply of commodities, and the market pressure is quite great. The problem of low management levels and poor economic returns in the enterprises is also common. Raw materials and energy which are essential for developing production are still in short supply. Water supply has been a serious problem both in industrial and agricultural production and in the people's lives due to the drought which lasted for 4 consecutive years. All these problems really have affected the development of economic construction. However, they are difficulties that we encounter in the path of advancement and can be overcome. We have many favorable conditions which will enable us to overcome these difficulties. People in the province are familiar with the spirit of the 3d Plenary Session and the 6th Plenary Session of the 11th CCP Central Committee and the Hebei work conference. The people's ideology has been further unified and their deeds have become more consistent by means of turning chaos into order, implementing the policies and readjusting the leadership groups. The situation of stability and unity has been further consolidated and the masses' enthusiasm in building the four modernizations has been further enhanced. The guiding ideology that leaders at all levels should shift the work focus onto building of the four modernizations has been made explicit and we have obtained fruitful economic results and work experience which will provide a relatively good foundation for our further advancement. I believe that so long as people throughout the province work with concerted efforts, go all out and do a practical job, we will be able to obtain better results.

#### 11. Shifting Economic Construction Work Onto the Path of Improving the Economic Returns

In order to obtain a breakthrough in the development of the national economy in the province, we must, under the guidance of the spirit of the 3d Plenary Session and the 6th Plenary Session of the 11th CCP Central Committee, uphold and carry forward the spirit of the Hebei work conference, do a better job of turning chaos into order in the guiding ideology and in actual practice, uphold that all work must be focused on the socialist modernization drive and economic construction work must be shifted to centering on improving the economic returns. We must uphold the principle of "taking the planned economy as the key and regulation by market mechanism as the supplement" and "attaching primary importance to food production and secondary importance to construction," and strive to promote the building of material and spiritual civilization.

Premier Zhao Ziyang put forth 10 principles for economic construction at the fourth session of the Fifth NPC, and he stressed recently at the national industrial and communications conference that improving the economic returns

is the core of the 10 principles for economic construction. It is demanded that we make a great change focusing on improving the economic returns and open up new prospects. In stressing the economic returns, we must first make clear this major concept: We must strive for maximum production of products which accord with the needs of the society, with a minimum of labor and material consumption. This is a demand of the basic socialist economic laws and is also a demand of the laws governing the scheduled and proportionate development of the national economy. The current major problem existing in our economic work is not neglecting speed but neglecting the economic returns. Many places and units have been working hard in pursuing a high output quota. However, they have not paid much attention to improving the economic returns. There are common problems such as a low labor productivity, poor product quality, high consumption rate of raw materials, blind production, serious accumulation of products and misuse of floating capital. Therefore, we must work harder in improving the economic returns and strive to produce more products which meet the demands of the society. In stressing the economic returns, we do not mean to abandon speed but to unite speed with returns and realize a speed of development which is realistic and bring about returns without exaggeration. Therefore, in accordance with the "summary of the minutes of the national rural work conference" approved by the CCP Central Committee, the "resolution on straightening out the state industrial enterprises in an all-round way" passed by the CCP Central Committee and the State Council, and Premier Zhao Ziyang's proposal on the 10 principles for economic construction and the spirit of his speech delivered at the recent national industrial and communications conference, the following measures are proposed in connection with our province's actual situation.

/First, rely on the policies and on science to achieve all-round development of agricultural production/

Agriculture is the basis of the national economy. Developing the rural economy in an all-round way is the key to ensuring an overall growth of the national economy. The central task of the rural areas is to implement well the "summary of the minutes of the national rural work conference" approved by the CCP Central Committee, adopt an active and cautious attitude and resolutely grasp stabilization and perfection of the production responsibility systems. From now on, we must stabilize all forms of the production responsibility system which have been implemented, laying stress on perfecting and improving them and signing good contracts. We must solve new problems which have cropped up in the course of implementing the production responsibility systems in light of the local conditions. We must adopt unified management and sign contracts for production of products which should have unified and contracted production. We must particularly grasp the protection and management of public facilities, production equipment, forests, orchards, livestock, machines and other property of the collective. Those who seize, steal, carve up and sabotage collective property should be dealt with or punished by law in accordance with the degree of seriousness of their

crime. We must ensure the completion of necessary collective accumulation, and the turning over the retention of profits in order to strengthen the collective economy. In addition to perfecting the production responsibility system, we must also do a good job of rectifying the financial situation of the communes and brigades in a scheduled way. We must extensively launch education and propaganda on "not changing the public ownership system of the basic means of production and not changing the agricultural production responsibility system," and on "taking the interests of the state, the collective and the individual into consideration." We must make the peasants understand that our country's agriculture must uphold the road of socialist collectivization and that the public ownership system of the basic means of production such as land will remain unchanged for a long period of time. We must make them understand that the collective agricultural economy will be upheld and the production responsibility system will remain unchanged for a long period of time; and that it is necessary to take the interests of the state, the collective and the individual into consideration, without laying stress on one and neglecting the other. Commune members are not allowed to sell, rent, transfer or desert the land contracted to them. Similarly, they are forbidden to misuse the land, bake bricks, mould adobe blocks, build houses or build tombs on their land. If they do so, the collective has the right to ask them to return the land. Those private plots, mountainous areas and residential areas allocated to the commune members still belong to the collective. We must cherish and rationally make use of each inch of land, and strictly control the building of houses and other construction by the commune and brigade enterprises and commune members. We must resolutely check the sinister trend of seizing and indiscriminately making use of land.

We must resolutely implement the principle of "not slackening efforts in grasping grain production and actively developing diversification," and continue to do a good job of readjusting the agricultural structure. After undergoing readjustment for more than 2 years, we must ensure that, as far as the province is concerned, the grain cultivation area be stabilized at above 70 million mu. In cultivating cotton, oil-bearing crops and other cash crops, it is necessary to work in accordance with the 1982 cultivation plans to improve both the quality and the quantity. The cultivation of these crops must also be stabilized in order to fulfill the state plans in an all-round way. We must leave room for grain cultivation in the course of developing diversification. We must work hard to improve the per area unit yield of each crop and ensure that gross output increases at a stable speed.

Medium and low production areas, in particular, have great potential for increasing production, and we should strive to reap bumper harvests in these areas by trying every possible means. We must vigorously develop diversification, laying stress on opening up hilly areas, marshes, beaches, grassland, deserted land, saline-alkali areas and developing domestic fish breeding. We must open up new prospects and march toward developing production more extensively and profoundly. We must pay attention to building bases for production of industrial raw materials.



We must speed up the development of forestry. This year, the province plans to plant trees over an area of 2.5 million mu, plant tree saplings in an area of 500,000 mu and plant 280 million trees on the "four sides." We must lay stress on grasping the building of the shelter-forest system in the "three northern districts," the forest network on the plains, soil conservation forests in the hilly areas and woody cereal and oil-bearing crop bases and timber bases. We must grasp the growing of saplings in a big way and actively operate well the existing state-run and collective-run sapling nurseries. Simultaneously, we must arouse the enthusiasm of the organs, PLA units, schools, factories and mines and other units to run private sapling nurseries, encourage the commune members to grow saplings and launch the all-people sapling growing the afforestation campaign. We must continue to do a good job of issuing certificates for forest ownership, allocating private forest areas, contracting forest areas to commune members and implementing the forest production responsibility system. We must extensively launch the all-people voluntary afforestation campaign, and promote growing flowers and grass in a big way. We must practically strengthen management and protection of forests and plants and must resolutely forbid the malpractice of indiscriminate lumbering.

We must vigorously grasp science and technology on the basis of stabilizing the production responsibility system. This is an objective demand for speeding up the overall development of agriculture. This year, in addition to grasping a certain number of agricultural scientific research projects, we should also promote demonstration, popularization and application of efficient farming techniques which can bring about bumper harvests and advanced experiences. We must continue to launch mass technological coordination and scientific popularization activities, and further improve the level of scientific farming. In accordance with the increase of cotton producing areas this year, we must pay particular attention to scientific cultivation of cotton and its popularization. We must show concern for, and train more, agricultural science and technology personnel, pay attention to seeking out capable persons and professional workers in the rural areas and give full play to their role in production. In order to further improve the conditions for agricultural production, we must further grasp water conservancy capital construction in the field centering on fighting drought and we must particularly strengthen construction in the hilly areas and old revolutionary bases. We must help them develop production and change as quickly as possible the backward aspects, by giving them financial and technological support and supporting them in manpower and material supply. At the same time, we must pay attention to solving problems in production and people's livelihood of the communes and brigades in disaster-stricken areas.

At present, due to lax leadership, the organization of certain production teams and the leadership groups in some areas are in a state of paralysis or semi-paralysis. Such a state has already seriously affected the implementation of the party's policies and the development of the rural economy.



leaders at all levels must be determined to rectify and build well the leadership groups of these communes and brigades, enabling the communes and brigades to shoulder the economic and political obligations assigned to them. This year, we must carry out rotational training of grassroot cadres in a planned way during the slack farming seasons, taking either a county or a commune as a single unit, in order to improve their standards of policies, scientific knowledge and management. We must implement the system of personal responsibility and strengthen the sense of organizational discipline. Simultaneously, we must help the grassroot cadres solve practical problems, ensure that they are rationally rewarded, and encourage and support them to boldly do a good job of their work.

Currently, the situation of drought is becoming more serious every day. Governments at all levels must strengthen leadership, mobilize the broad masses of cadres and people to carry on giving play to the spirit of self-reliance and arduous struggle, overcome the paralyzed ideology and fear of difficulties, actively launch the struggle of "fighting against one thing to ensure two," and base ourselves on fighting disasters and reaping a bumper harvest. We must open up more water resources, and promote planned water consumption and water conservation. In addition, we must set up and improve the responsibility system of motor-pumped wells, and give full play to the efficiency of water conservation projects. All trades and professions must vigorously support agriculture. The commerce, supply and marketing, transportation, electricity supply departments and so on must, in particular, promptly do a good job of arranging for the allocation and transportation of the necessary materials in the struggle against drought, and the allocation of the electricity they use. We must win the first battle of reaping an overall bumper agricultural harvest.

#### */Second, concentrate forces on straightening out the enterprises/*

Straightening out the enterprises in an all-round way is the key to giving full play to the potential of the existing enterprises and improving the economic returns. From this year onwards, in accordance with the "resolution on straightening out the state industrial enterprises in an all-round way" of the CCP Central Committee and the State Council, our province will spend 2 to 3 years straightening out all industrial enterprises (including collective enterprises) above the county level in a planned way, in stages and by integrating experience obtained at key points and in all areas. There are altogether 5,922 industrial, construction and transportation enterprises above the county level in the province. The preliminary plan this year is to straighten out one-third of them, another one-third will be straightened out next year in two batches, and all the enterprises are expected to be straightened out by the year following next. We must, first of all, straighten out the backward units of the key enterprises this year. Leading comrades must personally lead investigation groups to stay at trial points and under the leadership of the CCP committees at all levels, carry out investigations, sum up experiences and guide work in straightening out other enterprises. For enterprises to which investigation groups have not been

sent, they must rely on the existing leadership groups and workers to carry out self-rectification. Governments and departments in charge at all levels should be responsible for inspection, guidance and checking upon delivery so as to guarantee the product quality and prevent the practice of doing things perfunctorily and superficially. Enterprises in all other areas must also work in accordance with the resolution of the CCP Central Committee and the State Council to promote the "3 items of construction" and actively initiate the campaign of "6-good enterprises."

The key to straightening out enterprises lies in gradually building well the leadership groups in accordance with the demand to recruit revolutionary, young, educated and professional personnel. We must grasp work in readjusting and consolidating the leadership groups and should advance with big strides. However, we absolutely cannot allow the "three kinds of person" and those who voice support for but actually resist the line, principles and policies laid down at the third plenary session to be recruited into the leadership groups. We must eliminate such elements from the leadership groups in order to maintain their purity. We must carry out comprehensive inspection of the cadres, laying stress on helping, educating, improving their knowledge and promoting unity among them.

In straightening out enterprises in an all-round way, we must focus on improving the economic returns and promoting quality control in order to do a good job in economic accounting, and in rectifying and improving the various forms of the production responsibility system. All enterprises must do their best in promoting business in order to obtain the best economic returns and social economic returns for the enterprise. We must make the best international and domestic production quotas known to the workers, who engage in similar production. We must arrange for them to tackle key problems, improve their production skills, improve the product quality and produce good and cheap products to satisfy the growing demands of the masses in their material and cultural lives. Enterprises which are experimenting with the expansion of decision-making power can still implement the method of retaining a prime portion of profits and increasing the amount of profits retained; enterprises which have completed the experiment on expanding their decision-making power can continue with their original method or can implement the method of signing contracts for stepped increases in profit retention or the sharing of profits obtained in excess of quota. Those enterprises which are carrying out other forms of the economic responsibility system should also be straightened out. This year, we must emphatically grasp well economic responsibility systems within enterprises. We must make clear the average advanced production quotas, improve the product quality, and vigorously launch a campaign of increasing production and lowering consumption and must lower the production costs. We must achieve a 2-percent decrease in the production cost this year compared with that of last year. Simultaneously, we must do a good job of promoting overall planned management, quality control and economic accounting. The circulation of floating capital this year must be increased by 50 to 100 percent, the number of enterprises which make losses

must be reduced by 50 percent and the amount of losses must be decreased by 90 percent. Enterprises subordinate to the province must first strive to eliminate losses. We must rectify and strengthen labor discipline and strictly implement the system of rewards and punishment. We must rectify the labor organization, organize production according to the number of workers and production quotas, and make good arrangements for surplus labor. We must adopt various forms to promote training and urge all units to arrange their own training. The average full-time labor productivity must be increased by 3 to 5 percent this year over that of last year. We must rectify financial and economic discipline and improve the systems of financial accounting. Various economic and technological targets must be implemented in the enterprises, workshops and work groups, and there must be specific demands for the accomplishment of each target. In the future, in announcing the production results, the enterprises should, apart from announcing output, also announce the situation as regards their accomplishment of relevant economic and technological targets. This will facilitate the examination of the economic returns. Statistical departments at all levels must seriously do a good job of this work.

By means of carrying out comprehensive rectification, we must promote the "3 items of construction" in the enterprises which can then fulfill the "requirements for the 6-goods." The "three items of construction" are: gradually building a leadership system which has both democracy and centralization; gradually building a workers' contingent which is both red and professional; and gradually building a scientific and civilized management system. The "requirements for the 6-goods" are: correctly handling the economic relations between the state, the enterprises and the workers; taking the interests of the state, the collective and the individual into consideration; ensuring good product quality; good labor discipline; good civilized production, and good political work.

We must also straighten out financial and trade and material supplies enterprises in accordance with the spirit of the relevant documents of the CCP Central Committee and provincial arrangements.

Third, promote industrial readjustment, centered on developing consumer goods production/

We must carry out industrial readjustment this year, focusing on developing consumer goods production and readjusting the orientation of heavy industry service. We must take as a breakthrough, the organization of the key trades and key production in order for them to proceed on a path of coordination between specialized departments. We must further readjust our province's industrial structure, product mix and organizational structure, improve the economic returns in an overall way, and enable our province's industrial production to proceed on the path of coordination and steady development.

We must give play to the superior features of our province, vigorously develop the production of marketable consumer goods, improve the product quality and quantity and increase the varieties. We must plan a balance between production, supply and marketing, and we must stress planning, strengthen market investigation and prediction, and do a good job of promoting sales. We must break the bounds of different areas and departments, and seriously organize professional unification and reorganization. We must first organize the whole province to vigorously produce bicycles, watches and sewing machines, and implement the production method of coordination between specialized departments. We must promote the processing and refining of coke and petrochemical products, taking the Canhzhou petrochemical plant and the Shijiazhuang coking plant as the key. Production of tractors, motor vehicles and diesel engines, textile production, construction material production, porcelain production and manufacture of medicines must also be carried out on the basis of launching coordination between specialized departments. Simultaneously, we must also launch coordination of electroplating, casting, forging, thermal treatment and making of moulds. In regard to light industrial enterprises which mainly depend on agricultural and sideline products for raw materials, we must actively launch integration between industry and agriculture. We must vigorously develop the foodstuff industry and pay attention to production of small articles for everyday use and commodities for tourists.

In readjusting the orientation of heavy industry service, we must focus on the machine-building, metallurgical and chemical industries. The machine-building industry must serve light and textile industries, by technical renovation, reforming backward equipment, and manufacturing special equipment and special production lines. We must try as much as possible to use numerical control, electronic control and robots. Simultaneously, it is necessary to increase production of medium-size and small farming tools, develop processing of native and special products and carry out research in new products in order to reform its own equipment. The metallurgical industry must increase the variety of its steel products and provide more marketable products for all kinds of trades and also increase its exports. The chemical industry must expand its production capability, promote the production of support-agriculture chemical products, and provide more raw materials for the development of light and textile industries. Regarding those enterprises which are running at a loss and have a high rate of consumption and poor product quality, we must resolutely implement the principle of closing them down, or suspending, merging or shifting them to other types of production. We must also make appropriate reductions in the production quotas for products in ample supply.

In view of the new situation which has appeared in the current economic work, our main tasks in reforming the system are to further sum up and make further improvements. Economic policies which have been implemented will be stabilized on the basis of last year's practice and level in order to maintain the stability and consistency of the policies and to accumulate experience for future planning in reforming the economic system.

/Fourth, carry out technical transformation of existing enterprises step by step in key units/

Technical transformation of existing enterprises is a fundamental policy and the only way to achieving expanded reproduction for a considerably long period in the future. In our province there are now over 15,000 industrial enterprises with 20.7 billion yuan's worth of fixed assets. This is our basis in carrying out economic construction. However, over 70 percent of these enterprises were set up during the "Great Cultural Revolution" and in most of these enterprises the equipment is outdated, technically backward, high in energy consumption and production costs and poor in quality. Therefore, only by effecting technical transformation and updating enterprises will it be possible to yield faster results and achieve greater economic returns with smaller investments.

Technical transformation of enterprises is aimed at improving the economic results. It is necessary to place the technical transformation of textile and other light industries, economy, the exploitation of energy, and transport and communications in an important position. Throughout the province, there are 379 technical measure projects in industrial and communications enterprises which are being continued this year from last year and involve 165 million yuan of funds. It is estimated that the completion of all these projects will increase production value by 720.36 million yuan. Funds for effecting technical transformation in our province this year are estimated at 430 million yuan. The stress of technical transformation should be laid on expanding the production capacity and improving the quality of food and ceramics in the No 1 Light Industry; of leather and clothes of the No 2 Light Industry; of polyester fiber, overcoat materials and cotton yarn in the weaving trades and sheet glass in the building materials trades. We must also stress technical transformation of machinery trades and improvement of surveying and testing instruments, the development and extension of coal mines the products of which are under unified distribution and the technical transformation of local coal mines of the coal industry. We must also stress economization on energy, for example by the use of coal instead of oil, the transformation of boilers having low efficiency and the utilization of unused heat. Up to now, arrangements have been made for 139 technical measure projects at the provincial level involving an investment of 159.4 million yuan. It is estimated that after these projects are completed and go into production, the newly-added production value will be over 300 million yuan and the saving on energy consumption is estimated at 243,000 tons of standard coal. Arrangements are being made for the use of the remaining 270 million yuan. Apart from this, the departments directly under the province responsible for work, the various prefectures, municipalities and enterprises have some 400 million yuan of funds which can be used in technical transformation. Management of technical transformation funds should be strengthened and special funds should be used for special purposes. With respect to technical transformation projects, it is absolutely necessary to arrange experts to do a good job of technical and economic demonstration and put special persons in charge of the work to ensure the completion of the projects on time.



All scientific research and designing units should take technical transformation of enterprises as a major task. They should work hard to design and develop new products by fully utilizing new technology and at the same time do a good job of storing up technical data. With respect to the key problems that have a strong bearing on the economic results in the national economy, it is necessary to concentrate our forces to tackle them. All successful scientific research projects must be provided with a theoretical basis and reliable experimental data as well as conditions for turning from laboratory production into industrial production. At the same time, it is necessary to extensively promote a mass technical innovation campaign.

While tapping the potential of existing enterprises, it is also necessary to do a really good job of key capital construction projects. This year we should lay stress on expanding the three power plants at the Dou River, at Matou and at Xianhuayuan; the four coal mines at Fengfeng, Kailuan, Handan and Xingtai and the Yaohua glass works; building Qinhuangdao port, the railway between Beijing and Qinhuangdao, the east Hebei cement factory, the Panjiakou and Daheiding reservoirs and the projects of diverting water from the Luan River to the Huan and of dredging Heilong port. We must also stress the rehabilitation of Tangshan from the damage caused by the earthquake, building the Shijiazhuang oil refinery and building the water supply projects at Handan, Baoding, Chengde and Zhangjiakou. It is necessary to make sure that these capital construction projects will be completed on schedule and be put into operation and production on time.

/Fifth, efforts should be made to do our financial and trade work well and in a lively way/

Lack of funds and financial difficulties are a serious problem confronting us this year. The fundamental solution to this problem is to vigorously develop production, practice economy, oppose waste and achieve better economic results. In the future, we should lay stress on increasing production and revenue and studying and improving ways to acquire, accumulate and use funds. It is necessary to vigorously aid and develop production, strengthen the management of enterprises and increase income in order to ensure rational and necessary expenditure. Efforts should be made to keep expenditure within the limits of income in order to avoid financial deficits. It is necessary to enforce strict financial discipline and strengthen financial supervision by specifying the rights to appropriate funds. Continued efforts should be made to carry out the general inspection of financial discipline in order to determine the responsibilities of those units that recklessly apportion production costs, evade taxation, retain the profits which ought to be turned over to the state and spend money extravagantly, and to severely deal with them. Every form of tax evasion should be resolutely checked so that the state can collect all funds that should be collected. It is impermissible to fall behind in tax payment or to reduce taxes without authorization. In granting bonuses to the staff and workers, it is necessary to strictly implement the relevant regulations of the State Council and the province.

The commercial departments should conscientiously implement the policy of "developing the economy and ensuring supplies" by further improving the system of commodity circulation and resolutely eliminating all unnecessary intermediate links so that products are available to the consumers as quickly as possible. It is necessary to fully note the rapid growth of purchasing power in the rural areas and to expand the sales by stepping up the purchase of industrial goods and their transportation to the rural areas. At the same time, efforts should be made to do a good job of purchasing grain, cotton, oil and farm and sideline products such as pork, eggs and vegetables in order to ensure market supplies. It is necessary to rectify the orientation of operations and improve service and service quality in order to better serve industrial and agricultural production and the people's livelihood.

Market prices are still an important problem people are concerned about. It is necessary to continuously implement the circular of the State Council on resolutely stabilizing market prices. In order to protect the interests of the consumers, arbitrary raising of retail prices of industrial and agricultural goods already fixed by the state should not be allowed. The practice of negotiating prices for industrial goods of the first and second categories should not be allowed. It is necessary to purchase those agricultural products of the first and second categories the management of which the state has stressed, according to the prices fixed by the state. The varieties and scope of goods purchased or sold under negotiated prices should not be expanded, the negotiated purchase prices should not exceed their maximum limits and the negotiated selling prices may be lowered but they should not be raised. The prices of agricultural products of the first and second categories to be transferred to other provinces according to the plan should be in accordance with the prices fixed by the state. Raising of prices should not be allowed for this will result in shifting the burdens. It is necessary to strengthen management and inspection of prices in accordance with the division of work and the limits of management authority for managing prices at different levels. Further efforts should be made to strengthen market management in order to create a thriving market. It is necessary to resolutely crack down on speculation and profiteering so as to ensure flexible control and orderly and lively activity.

/Sixth, give play to advantages and do a good job of foreign economic and trade work/

This year our province has been assigned the tasks of purchasing 1.54 billion yuan's worth of goods for the export trade and of exporting a total value of 8730 million worth of goods. Great efforts should be made to overfulfill these tasks. The export of finished products processed from imported materials accounted for 43.6 percent of the total purchased value last year. Efforts should be made to raise this to over 50 percent of the total purchased value this year. Situated along the coast, our province has favorable

conditions and broad prospects for developing foreign trade but we lack experience, have not emancipated our minds sufficiently and have not explored all possible avenues. This makes it necessary for us to study further, accumulate experience in the course of practice, make use of all conditions from abroad that we can turn to advantage and offset our weak points with the strong points of various countries. It is necessary to further build well the bases for export commodities and increase the production in readily marketable export commodities, particularly key export products. Great efforts should be made to develop the processing of materials for foreign businessmen, the exports of finished products manufactured from imported materials according to samples and designs, provided and developing projects under contract with foreign businessmen for labor or technical services. It is necessary to step up investigation and study of the international market in order to have a good grasp of the market trends and economic information and to do a good job of foreign trade. It is necessary to strengthen leadership over the port of Qinhuangdao, expand the volume of export commodities handled and work hard to store up and transport export commodities. We should gravely utilize foreign funds, introduce suitable advanced technology from abroad in the light of our specific conditions, import essential key equipment and a small quantity of sets of equipment which should be conscientiously assimilated, absorbed, duplicated and popularized. It is necessary to enforce foreign trade discipline and formulate unified regulations on personnel going abroad and on negotiations and signing agreements with foreign businessmen. In the future, with the exception of unified arrangements made by the state and the province, no departments or units are allowed to import consumer goods without authorization; all units and individuals should only have contacts with foreign businessmen according to the unified regulations of the state.

/Seventh, persist in putting the planned economy first and foster the idea of taking the whole country into account/

Under the unified leadership and planned guidance of the state, the implementation of the policy of enlivening the economy is correct in orientation. Our achievements are the main aspect. In the economic field at present, however, there are also some tendencies, such as departmentalism, decentralism and liberalization, that weaken or depart from planned guidance and fail to take the whole country into account. For example, indiscriminate production and construction without considering the needs of society; wilful expansion of the scope of purchasing and selling at negotiated price and of selling goods on one's own account; the practice of economic blockade between different localities and departments; utter disregard of the state plan in planting crops in the rural areas, and so on. All these are manifestations of disregard for the overall interests of the state. They adversely affect the planned economy, the national economy and the people's livelihood and should be solved conscientiously in a timely way.

Comrade Chen Yun recently pointed out: "The economy of our country is a planned economy. Industry should take the planned economy as the dominant factor. After the implementation of the production responsibility system, agriculture should also take the planned economy as the dominant factor." As a socialist country, public ownership of the means of production holds an absolutely dominant position in our country. This makes it necessary for us to implement the policy of "relying mainly on the planned economy while making regulation by market mechanism subsidiary" and firmly foster the idea of taking the whole country into account. Central to the idea of taking the whole country into account is to correctly understand and handle the relationship between the planned economy and regulation by market mechanism. As subsidiary or a supplement to the planned economy, regulation by market mechanism must come under the guidance of the planned economy. The relationship between regulation by market mechanism and the planned economy is not a parallel one but one of subordination. Regulation by market mechanism can only maneuver within the scope allowed by the planned economy, and it should by no means exceed this scope. With respect to regulation by market mechanism, we should utilize it but, what is more important, we should exercise leadership over it. It is necessary to conduct education in "giving consideration to the interests of the state, the collectives and the individuals" in order to correctly handle the relationships between the state, the collectives and the individuals. When individual and state interests and partial and overall interests are in contradiction, it is necessary to unhesitatingly subordinate the individual and partial interests to the state and overall ones. In order to strengthen centralism and unification in economic work, it is necessary to uphold the principle of minor freedom under a major plan and minor decentralism under major centralism. With respect to products included in the state plan, it is necessary for the production departments to manufacture and deliver them according to the plan; the commercial, material, foreign trade and transport and communications departments should purchase, allocate and supply them according to plan. With respect to products to be allocated and transferred according to the state plan, including farm and sideline products, it is imperative to act in accordance with the plan. They should not be retained for one's own use, or used as a means of organizing cooperation or sold at negotiated prices. The products manufactured at selected places according to the state plan may be sold throughout the country after the fulfillment of the assigned tasks. No administrative means should be used to check the sales of these products and resolute measures should be adopted to correct the practice of economic blockade between different localities. In agriculture, it is necessary to make arrangements for the planting and growing of various crops under the guidance of the state plan. The state retains the purchase and marketing monopoly for agricultural products of the first category. Starting from this year, the policy of full contracted responsibility for the purchase, marketing and allocation of grain will not be changed for 3 years. All localities must pay close attention to the implementation of full contract responsibility system in the production teams

to ensure the fulfillment of the tasks in regard to area sown, variety and quality. It is necessary to continuously practice the policy of assigning purchasing quotas for farm and sideline products of the second category. Before the state purchase quotas are fulfilled, no units are allowed to rush buy, raise the purchasing prices or reduce the base of state purchase quota base or assigned purchase quotas. It is necessary to promote the system of economic contracts between state purchasing departments and production teams and between the state and enterprises, between industry and commerce and between industry and foreign trade and act strictly according to contracts. The suburbs should grow mainly vegetables so as to ensure the vegetable needs of the urban population. It is necessary, under the guidance of the state plan, to bring into full play the role of regulation by market mechanism and also to enliven the economy.

### III. Work Hard for the Building of Socialist Spiritual Civilization

In his government work report to the fourth session of the Fifth NPC, Premier Zhao Ziyang pointed out: "In the work of socialist modernization, we must strive for a high level of both material and cultural development." The two are inseparable, they help each other forward and supplement each other. Only by promoting material civilization can we create the essential material basis for the building of spiritual civilization; and only by promoting spiritual civilization can we ensure the sustained growth of the national economy and the socialist orientation of material development. Therefore, in building the socialist economy, we must do a good job of the building of socialist spiritual civilization. We must pay special attention to the following tasks:

First, we must devote major efforts to strengthening ideological and political work so as to enable the broad rank of cadres and the masses to cherish the socialist and communist ideology, morality and attitude towards labor. Owing to sabotage of social morality inflicted by the 10 years of internal disorder and to the corrosive influence of decadent foreign capitalism and the remnants of the exploiting class within the country, anarchism, extreme individualism, and bourgeois liberalization which deviate from the party leadership and the four basic principles have emerged. Some people have even lost their confidence in the building of the four modernizations and in realizing the ideals of communism; they are perplexed, hesitant and wavering. We must solve these questions which emerged in our actual life by strengthening the study of Marxism-Leninism-Mao Zedong Thought and by carrying out meticulous ideological and political work. We must continue to study the "resolution" adopted at the sixth plenary session and the party's policies and principles. In accordance of the actual situation, we must also select relevant works of Marx, Lenin and Comrade Mao Zedong to study so as to enhance the people's understanding of socialism and to establish a communist world outlook. This is the key to doing a good job



of the building of spiritual civilization. We must teach the people to cherish the party, our motherland and socialism, criticize and oppose decadent capitalist ideology and the tendency of bourgeois liberalization, enhance national pride and self-confidence and strengthen the power of resistance to the corrosion of capitalist ideology. We must adhere to unifying politics with economy, and politics with technology and uphold the principle of training people who are both red and expert. Consequently, the broad rank of cadres and the masses will enhance their political consciousness and strengthen their ability to build the four modernizations.

We must carry out the activities of "five stresses and four beautifuls" in a thoroughgoing and meticulous manner and urban areas should set examples for the rural areas to follow. We must sum up experiences, establish systems, define responsibilities, strive for actual effects and persist in doing this. We must strictly forbid gambling, do away with superstitions, transform social traditions and establish a fine social mood and create a new atmosphere in a new era.

We must publicize the economic situation in a lively and convincing manner by making comparisons based on detailed facts. We must make the people understand that in our socialist state, first, we must have enough food; second, we must construct. They must understand that a country is hopeless if it has consumed everything and eaten everything. The masses must understand that, since the smashing of the "gang of four," in particular, since the party's third plenary session, the party and the people's government have tried their best to improve the living standard of the people. As a result, the living standard of most people has definitely been improved. We must make the people understand that the improvement of the people's living standard must be established on the basis of developing production and the pace at which the people's living standards are improved must not be too fast within a short period of time. Consequently, the people will establish an overall point of view and will correctly handle the relationship between the immediate and long-term, the partial and overall and the individual and state interests. Thus, the basic guiding policies and principles such as the "three persistences," and "first, we must have enough food; second, we must construct," will be implanted in the minds of the cadres and the masses and be implemented in their work.

Through carrying out activities of learning from Daqing, from the Chinese women's volleyball team and from "Unit No. 2 Construction Company," the cadres and the masses will be able to inherit and carry forward the fine traditions of the working class of our country, establish the revolutionary spirit of reviving China with no fear of hardship, strengthen their sense of being masters of their country and strive to make more contributions to the four modernizations.

We must strengthen education on the worker-peasant alliance. The industrial and mining enterprises and the local communes and brigades in the rural areas must supplement each other and maintain close connections with each other. Enterprises must help communes and brigades solve problems which emerge in the course of production; and communes and brigades must spontaneously safeguard state property. If there is any problem, under the leadership of the local people's government, they must consult each other on the principle of taking the interests of the two parties into consideration. It is erroneous to wilfully make trouble and this is not permitted. Likewise, it is erroneous to provoke people even if they have good reasons, and this is not permitted either. We must investigate and determine the responsibility of people who are involved in cheating, robbery, sabotaging the state property, cutting electricity, extorting money by intercepting people and sabotaging production, and we must deal with them seriously. We must strictly punish cadres who take the lead in carrying out the above-mentioned activities.

Second, we must be resolute in combating criminal activities in the economic field and strengthen comprehensive management over social order. In the wake of the implementation of our country's open-door policy, decadent capitalist ideology and life style have invaded our social life in many aspects. Regarding the economic field, serious criminal offenses such as smuggling, profiteering and swindling, embezzlement, and taking forcible possession of a large amount of state and collective property. This is the manifestation of the sabotage and corrosion inflicted by class enemies at home and abroad by means of corrosive capitalist ideology, and the prominent manifestation of class struggle in the socialist society of our country under the current new historical conditions. This is more serious than the "three-antis" and "five-antis" movements in 1952. At present, the unhealthy trends are corroding the body of our cadre ranks, poisoning the people's minds, polluting the mood of society and sabotaging the building of socialism. We must fully understand the seriousness, harmfulness and danger of criminal activities in the economic field. We must make ourselves Marxists who are resolute, sober-minded and capable. We must do a good job in this struggle which is related to the rise and fall of our party and our state in accordance with the plans of the central authorities. The people's governments at all levels must be resolute in combating criminal activities in the economic field and take this struggle as one of the key tasks of this year. They must pay close attention to it and do a good job of it. We must pay special attention to some major cases and deal severe blows at them. We must punish cadres who are involved in serious criminal activities, in particular, cadres who are in important positions. We must also publish the final settlement of some major cases. Economically, we must make the criminals return what they have illegally taken and give up their ill-gotten gains; their thefts must be confiscated according to law or they will be fined. We must not let these criminals who seek private gain at public expense gain extra advantages economically by unfair means. We must not

turn a blind eye to serious economic problems existing among cadres, in particular responsible cadres, and conceal what we know of the case. We must not be irresolute and hesitant, nor tolerate and harbor their evils, otherwise, we will be investigated and be held responsible. In carrying out this struggle, we must handle it in the way we handle a case. We must follow the mass line and persist in seeking truth from facts. We must check the facts of the offense very carefully and make sure that everything is authentic. The broad ranks of cadres and the masses throughout the province must enhance their vigilance against the corrosion of capitalist decadent ideology and their life style and conscientiously struggle against corrosion. Pornographic publications, pictures and tapes which are currently circulating in society must be handled in the way we handle illegal publications; they must be checked and confiscated. People who compile, manufacture, traffic in and shelter pornography must be punished according to law. We must further strengthen comprehensive management over social order, deal severe blows at the sabotage of all counter-revolutionary and criminal offenders. We must carry out propaganda and education of the legal system in a thoroughgoing manner and do a good job of remedial work for juvenile delinquents. We must establish the responsibility system for social security and mobilize the masses to stipulate patriotic pacts, regulations and pledges for plants, schools and communes. We must rely on social force to prevent crimes and strive to achieve a turn for the better in social order.

Third, develop educational, scientific, cultural, public health and physical culture undertakings and strive to raise the scientific and cultural level of people throughout the province. We must try our best to increase investment in training educated people and make good use of their intelligence. We must strengthen the training of capable people and do a good job in running schools at all levels and for all subjects. Under the guiding principle of promoting overall development in moral, intellectual and physical education, we must actively and steadily do a good job in readjusting the educational structure and the curricula of institutes of higher learning. We must improve the quality of teaching and develop vocational schools, agricultural secondary schools and sparetime courses. We must pay special attention to strengthening secondary and primary education in rural areas and train more capable people who are both red and expert to serve the building of socialist modernization. We must do a good job of the preparatory work for admission to colleges and universities and ensure that the admission work is carried out in a smooth manner. As for public health, we must adhere to giving priority to prevention work, raise the standard of medical care and serve the workers, peasants and soldiers as well as production. We must do a better job in planned parenthood work and continue to advocate late marriage, bearing children at a mature age, having fewer children and bringing them up better. This year, the province has determined to control the natural growth rate of the population at 11 per 1,000, major efforts are being devoted to advocating and implementing each couple having only 2 child. While implementing the production

responsibility system, communes and brigades in the rural areas should implement the population production responsibility system. They should continue to do a good job of maternity and child care. Workers of physical culture throughout the province must learn the death-defying spirit of the Chinese women's volleyball team and strive to score more outstanding results to welcome the forthcoming sixth provincial athletic meet in September this year, and unfold mass physical culture. We must do a good job in readjusting the salaries of the personnel working on the education, public health and physical culture fronts. Culture, art, journalist, broadcasting, television and publication units must strive to create more outstanding works which have healthy contents and which are loved by the masses. These outstanding works should become the main trend in the cultural and ideological circles and make new contributions to the building of socialist spiritual civilization.

We must further motivate the enthusiasm of scientists and technologists and strive to train and select more capable people. We must check the implementation of the policy on intellectuals and solve the existing problems. We must continue to do a good job of appraising the job titles and the work of promotion. We must promote outstanding scientists and technologists who have organizational power to leading positions so that they will be in a position to exercise their power. We must pay attention to improving the living and working conditions of scientists and technologists and bring their roles into full play.

Census is an important work to check the condition and national strength of our country. The people's government at all levels must attach great importance to it, strengthen leadership and carry out the third national census in a planned and systematic manner, and set high demands on it.

Fourth, we must overcome bureaucratism and raise work efficiency. The current bureaucratic problems existing in administrative organs and economic management departments are serious obstacles to realizing the four modernizations. The provincial organs are overstaffed and the cadres are aging; they are dilatory in their work. The situation of low work efficiency is so serious that something must be done. Before the central authorities have any specific plans to reform organs below the provincial level, we must do a good job of ideological work, settle the minds of the people and straighten out their ideas so that they will take a responsible attitude to their work and do a good job of it. At the same time, we must systematically conduct investigations and research and prepare to reform the organizational structure. At present, the people's government at all levels must tackle the pressing problems of raising work efficiency by improving ideology, work style, regulations and systems. Leading cadres at all levels must go deep down into the front line, learn from actual experience and promptly and effectively solve new problems emerging in daily work. The actual effect of solving a problem is much greater than issuing some commonplace documents that are

devoid of content, or convening some unrealistic meetings. We must not hold any useless meetings before we have carried out some investigation and research. We must not issue any documents that do not pose any questions nor solve any problems. All government personnel must bring into full play the fine traditions of integrating theory with practice, having a close connection with the masses and launching criticism and self-criticism. They must proceed from the actual situation, seek advice from the masses and society, conduct investigation and research, understand the actual situation, discard the dross and select the essential, eliminate the false and retain the true, discover new things and sum up experiences. We must dare to combat evil and uphold righteousness, and take the lead to resist and correct unhealthy trends. We must pay attention to and take care of the masses' lives. Administrative organs and functional departments at all levels must strive to establish and perfect the position responsibility system and resolutely change unhealthy trends such as lax discipline and dilatory and irresponsible work style. We must be honest in performing our official duties, be devoted to our work and make fruitful efforts and set examples in carrying out the party's policies and principles, and serve the people wholeheartedly.

Fellow deputies, our responsibilities are heavy but our future is bright. Under the leadership of the CCP Central Committee, let us hold high the great banner of Marxism-Leninism-Mao Zedong Thought, be united, be of one heart and one mind, boost our spirit and struggle hard to build socialist material and spiritual civilization.

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## ECONOMIC MANAGEMENT

### BRIEFS

GUANGDONG ABOLISHES MANAGEMENT BUREAU--In the light of the spirit of streamlining the administrative structure of facilitate work, the provincial people's government has decided to abolish the organ affairs management bureau of the provincial people's government. Effective from today, the business and work of the former organ affairs management bureau of the provincial people's government will be incorporated into the general office of the provincial people's government. [HK240823 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Feb 82 HK]

GANSU STUDY GROUP--Deputy Governor Ge Shiyang recently led a study group composed of cadres from the provincial planning, economic and capital construction commissions and the light, petrochemical and metallurgical departments to Shanghai to learn about its economic management and reached agreements on economic cooperation and technical coordination. [SK122227 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 11 Apr 82 SK]

XIZANG APPOINTS PRICE INSPECTORS--The Xizang Autonomous Regional People's Government has decided to appoint inspectors in order to ensure the correct implementation of the pricing policy and stabilization of market prices. The inspectors have the right to criticize violators of the pricing policy and put forward their suggestions and opinions to the responsible departments on how to handle some cases. However, they have no right to deal with any cases. At present, 50 inspectors have been appointed in the region. These inspectors include qualified cadres and staff members, retired cadres and workers and activists of neighborhood committees. [HK130235 Lhasa Xizang Regional Service in Mandarin 1130 GMT 11 Apr 82]

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## INDUSTRY

### GUANGDONG GOVERNMENT CONVENES INDUSTRY MEETING

HK180255 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT  
17 Apr 82

[Text] The provincial people's government convened a provincial industry and communications work conference in Foshan municipality on 17 April, to convey and implement the spirit of the national industry and communications work conference, and put forward 10 measures in light of Guangdong realities, centered on improving economic returns. These 10 measures are:

1. Centering the effort on improving economic returns, achieve unity of speed and returns. All areas and all industrial and mining enterprises must attach importance not only to output value and quantity but also, still more, to quality, variety, style, price and ability to meet the needs of society. We must resolutely overcome the bourgeois liberalization trend in economic work, and achieve unity in enlivening the economy and promoting healthy development, to facilitate the attainment of a sound development speed embodying relatively good economic returns.
2. Put quality first, stress production of new products, and produce items that meet the market needs.
3. Carry out all-round and comprehensive straightening out of the enterprises.
4. Seriously handle policy problems in light of the demand for improving economic returns.
5. Do everything possible to ease the shortage of energy and communications and transport.
6. Continue to readjust and reorganize industry. We should go further in closing, suspending, amalgamating or shifting to other production: metallurgical, chemical, machine-building, electronics and other enterprises with high input consumption, poor quality, and unsaleable products, and which have run at a loss for a long time. We must also resolutely curb blind construction of factories and duplicate production.

7. Seriously strengthen scientific research and technological work in industry and communications.
8. Follow the path of concentrating on internal factors and speed up technical improvements in the enterprises.
9. Step up training for all staff and workers and improve the quality of the worker force as quickly as possible.
10. Vigorously strengthen ideological and political work. We must deal resolute blows at serious criminal activities in the economic field, do well in building party work style and factory work style, and also spend sometime carrying out vivid education in the economic situation for the workers.

CS0: 4006/417

## INDUSTRY

### JIANGXI INDUSTRY, COMMUNICATIONS CONFERENCE ENDS

OW150456 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 14 Apr 82

[Excerpts] The Jiangxi provincial conference on industry and communications ended in Nanchang on 14 April. Since the opening of this conference on 7 April, the comrades attending the conference earnestly carried out discussions with the improvement of the economic results as the central task. They unanimously pledged to implement the instruction issued by the central authorities and the provincial CCP committee, follow the correct guidelines in the fields of industry and communications with the improvement of economic results as the core, vigorously strengthen political and ideological work, and strive to fulfill this year's targets in these fields.

During the conference, members of the provincial CCP committee's Standing Committee heard a briefing. Bai Dongcai, permanent secretary of the provincial CCP committee and governor of Jiangxi, delivered a speech. On the issue of how to further improve economic results, he said: We must tackle the problem of improving economic results well. Naturally we must also pay attention to the issue of speed. Both in theory and in practice, we can increase speed while improving economic results. However, the deviations in our guiding thinking will affect speed. I hope there will be a leap forward and a breakthrough in improving economic results.

At the closing ceremony of the conference, Fu Yutian, secretary of the provincial CCP committee, delivered a speech. He called on the participants at the conference to conscientiously implement the guidelines laid down by the conference and achieve a great breakthrough in improving economic results and raising the rate of growth in the fields of industry and communications.

Liang Jixuan, vice governor of Jiangxi, delivered a wrap-up speech at the conference. He called on all enterprises to closely integrate their efforts to implement the guidelines laid down by the national and provincial conferences on industry and communications with current production in these two fields, rapidly increase production during the second quarter of this year, strive to fulfill at least half of the annual targets in improving economic results, and lay a solid foundation for the fulfillment of annual state plans.

(An Luishui), director of the department in charge of political affairs in the field of industry and communications, delivered a speech on how to consolidate the leading bodies of various enterprises and on other issues.

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## INDUSTRY

### GUANGDONG OFFICIAL SPEAKS ON INDUSTRIAL ISSUES

HK190303 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 18 Apr 82

[Excerpt] The provincial industry and communications work conference was convened in Foshan municipality on 17 April. Li Jianan, member of the provincial CCP committee Standing Committee and vice governor, conveyed the spirit of the national industry and communications conference. He pointed out: promoting material production is the main task of the industry and communications system, and hitting at serious criminal activities in the economic field is aimed at sweeping away obstacles and promoting the development of industrial and agricultural production. Hence, we must grasp production with one hand and this struggle with the other.

We must maintain continuity and stability in the economic policies for industry and communications production. As far as Guangdong's special economic features are concerned, we can only reach the goal of developing production by maintaining the policy of enlivening the domestic economy and opening up to the outside world. We must unswervingly carry out this policy. At the same time we must understand and solve the problems caused by this policy.

Li Jianan said: The province did well in industrial production during the first quarter, and revenue was quite good too. However, the situation in turning profit over to the state was not good enough. In future production we must improve economic returns and turn out more products suited to the needs of society by using the minimum labor and material input.

Wang Hunan, director of the provincial economic committee, delivered a report entitled "Center the Effort on Improving Economic Returns, Straighten Out the Enterprises in an All-round Way, and Strengthen Ideological and Political Work."

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## INDUSTRY

### BRIEFS

**LANZHOU INDUSTRIAL ACHIEVEMENTS**--Gansu Province's industrial output value in February increased 1.3 percent over January. Industrial output value of heavy industry increased 12 percent over the corresponding 1981 period. Output of raw coal in February was 680,000 tons, electricity 904 million kWh, and crude oil 104,900 tons. The output value of the machinery industry increased 17.6 percent over the corresponding 1981 period. Of the province's 23 machinery industrial products, 13 increased in output. Light industrial output value in February also rose by 10 percent over January. Output of cotton yarn, cotton cloth, flannels, wool blankets, wool thread and silk fabrics rose from 4 to 28 percent. Other products such as paper, paper boards, cigarettes, plastic products, televisions and radios also increased by over 3 percent. [SK080714 Lanzhou Gansu Provincial Service in Mandarin 1122 GMT 7 Mar 82 SK]

**GANSU INDUSTRIAL PRODUCTION**--Gansu provincial industrial and communications departments registered an industrial output value of 524 million yuan in January, an increase of 0.2 percent over the corresponding 1981 period. In January, the province produced 580,000 tons of raw coal, an increase of 8.5 percent over the corresponding 1981 period; generated 980 million kWh of electricity, an increase of 10.2 percent; and produced 110,000 tons of crude oil, an increase of 0.3 percent. In addition, January's radio production increased 107 percent and cigarette production by 42.5 percent over the same 1981 period. [SK110642 Lanzhou Gansu Provincial Service in Mandarin 1107 GMT 6 Feb 82 SK]

**GUANGDONG INDUSTRIAL PRODUCTION**--According to the statistics compiled by the Guangdong Provincial Statistical Bureau, good results were achieved in industrial production in the province for the first quarter of this year. The province's total industrial output value was 11.19 percent more than in the corresponding period of last year. Of this total industrial output value, the province's light industrial output value was relatively high and was 11.5 percent more than in the same period of last year. The heavy industrial output value quickly increased and was 8.57 percent more than in the same period of last year. Output of 75 percent of the 64 main products throughout the province was greater than last year. Output of coal, gas, electricity, cement and plate glass which are now in particularly short supply increased relatively greatly. Production of TV sets, tape recorders and washing machines and refrigerators for domestic use increased by 1.2 to 11 times. [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 7 Apr 82 HK]

**HEBEI INDUSTRY**--According to the provincial statistics bureau, total value of Hebei's industrial output in February was 23 percent more than in the same month of last year. Output value in January and February showed an increase of 9.7 percent over the same period last year. This included an 8.7-percent rise in enterprises owned by the whole people, a 14-percent rise in collective enterprises and a 60-percent rise in jointly-owned enterprises. Increases of from 6.1 to 23 percent were recorded in all the province's 19 prefectures and municipalities, except for Cangzhou Prefecture, where a decline of 2.2 percent was recorded due to a fall in output of the north China oilfield. [HK110519 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 6 Mar 82 HK]

**HUNAN INCREASES REVENUE**--The revenue in Hunan Province in the first quarter of this year was 13.63 percent more than in the first quarter of last year. The province fulfilled 25.94 percent of the annual quota for industrial and commercial taxes for this year. The industrial and commercial taxes in the first quarter of this year were 108.87 million yuan more than in the corresponding period of last year, an increase of 25 percent. The profits submitted to the state by industrial enterprises in the province were 4 percent more than in the corresponding period last year. [Changsha Hunan Provincial Service in Mandarin 2310 GMT 8 Apr 82 HK]

**HUNAN LIGHT INDUSTRIAL PRODUCTION**--The Hunan first light industrial system increased production in the first quarter of this year. It fulfilled its output value of 551 million yuan, which accounted for 26 percent of the annual quota for this year. Output for the first quarter of this year was 31 percent more than in the corresponding period last year. Output of 18 main products, including crude salt, cigarettes, bicycles, sewing machines, watches, glass and drinks for everyday use, out of the 20 main products, was more than in the same period last year. The profits gained in the first quarter were 49 percent more than in the first quarter of last year. [Changsha Hunan Provincial Service in Mandarin 1100 GMT 7 Apr 82 HK]

**SHANGHAI INDUSTRIAL PRODUCTION MEETING**--On 10 April, the Shanghai Municipal People's Government held a meeting attended by cadres from the city's industrial, transport and financial and trade departments to make arrangements for industrial production for the second quarter of this year. Mayor Wang Daohan and Vice Mayors Han Zheyi, Chen Jinhua, Yang Shifa and (Sun Yuanxi) attended and addressed the meeting. Zhou Bi, chairman of the municipal economic committee, briefed the participants on the current production and market situation in Shanghai. [OW121249 Shanghai City Service in Mandarin 1130 GMT 10 Apr 82 OW]

**ANHUI INDUSTRIAL PRODUCTION**--Anhui's total industrial output value in the first quarter of this year reached 3.35 billion yuan, an all-time record compared with all corresponding periods in past years. Output of major light industrial products increased. [OW110517 Hefei Anhui Provincial Service in Mandarin 1100 GMT 8 Apr 82 OW]

**HUBEI INDUSTRIAL PRODUCTION**--Industrial production in Hubei Province in the first quarter of this year continued to increase steadily. The province fulfilled the total industrial output value of 6.181 billion yuan in the first quarter, which was 16.7 percent more than in the corresponding period of last year. The volume of passengers transported and the volume of goods transported in this period were 20 and 15 percent respectively more than in the same period last year. The above-mentioned situation was released by Vice Governor Zhang Jinxian at the provincial conference on industrial and communications work on 8 April. [HK151453 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 10 Apr 82 HK]

**GANSU INDUSTRIAL OUTPUT**--Gansu Province scored achievements in industrial production in the first quarter of 1982. The industrial output value reached 1.69 billion yuan, up 7.5 percent over the corresponding 1981 period. Output of light industry increased 13.9 percent and that of heavy industry by 5.5 percent. Twenty-six major products including cotton yarn, cotton cloth, printing ink, cement, plate glass, raw coal, crude oil processing, plastics and electronics all fulfilled over 24 percent of the annual output plans. [SK072240 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 6 Apr 82 SK]

**YUNNAN MACHINE-BUILDING INDUSTRY**--By the end of March, Yunnan Province had fulfilled its quota for the production of machinery for the first quarter of this year. The total industrial output value was 24.4 percent more than in the corresponding period of last year. The machine-building system in the province has developed a large number of marketable products. At the beginning of this year, the provincial machine-building department demanded that all enterprises raise economic results, improve the quality of products and increase the variety of products. [HK141019 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 6 Apr 82 HK]

**XINJIANG INDUSTRY**--Xinjiang did well in industrial production in the first quarter. Total output value rose by 9.41 percent compared with the same period last year, while profits rose by 142 percent. Light and textile industries accounted for 50.98 percent of total output value, the first time since liberation that they have overtaken heavy industry. The primary reason for the good performance is that last year the region vigorously readjusted the industrial structure and product mix and took steps to promote priority development of light industry. [HK150539 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 10 Apr 82 HK]

**HEILONGJIANG INDUSTRIAL OUTPUT**--In the first quarter of 1982, Heilongjiang's industrial output value increased 7.5 percent compared with the corresponding 1981 period. Of 83 major products, 50 show substantial increases. In the first 3 months, industrial and communications departments fulfilled 23.7 percent of the annual production plan. In the first quarter, the light and textile industrial departments increased output value by 18.3 percent compared to the corresponding 1981 period. In the first quarter, heavy industrial departments increased output value 6.5 percent, and machinery industrial departments increased profits over 8.7 percent compared with the corresponding 1981 period. [SK140307 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 13 Apr 82 SK]

LIAONING TEXTILE INDUSTRY--In accordance with market trends, textile departments of Liaoning Province have decided to reduce 43 million meters of chemical fabrics, tantamount to 400 million yuan in output value, and use over 3,000 spare looms to produce 45 million meters of various cotton fabrics, tantamount to 200 million yuan in output value. In spite of a 3-percent decrease in growth rate, the textile departments will improve economic results and avoid stockpiling of chemical fabrics not needed by the people. [SK150153 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 13 Apr 82 SK]

SHANXI INDUSTRY VALUE UP--The total value of Shanxi industrial output in the first quarter was 3.05 billion yuan, an increase of 16.8 percent compared with the same period last year and the highest ever recorded for the period. Profit turned over to the state was 26.56 percent and tax payments 22.8 percent more than in the same period last year. The province has done well in arranging production by centering efforts on improving economic returns. Production of 83 products in ample supply, including white wine, agricultural chemicals, and machine-made paper, has been reduced, while output of 181 items in short supply has been increased. These include automobile tires, printed and dyed cloth and sewing machines. [HK080957 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 7 Apr 82 HK]

JILIN LIGHT INDUSTRY--The industrial output value of the Second Light Industrial Bureau in the first quarter of 1982 totaled 370 million yuan, overfulfilling the first quarter industrial output value plan by 2.9 percent, an increase of 16.5 percent over the corresponding 1981 period. As of the end of February, the Second Light Industrial Bureau had made a net profit of 650,000 yuan, while it suffered a deficit of 1.03 million yuan in the corresponding 1981 period, substantially increasing economic efficiency. [SK060615 Changchun Jilin Provincial Service in Mandarin 2200 GMT 3 Apr 82 SK]

LIAONING INDUSTRY--Industrial and communications fronts in Liaoning Province made a good beginning in the first quarter. In the first 3 months of 1982, the provincial industrial output value increased by 8.1 percent over the corresponding 1981 period and the profits handed over to the state by industrial enterprises increased by 6.5 percent. The volume of rail freight increased by 15.5 percent. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 5 Apr 82 SK]

GUANGDONG LIGHT INDUSTRY THRIVES--As a result of the implementation of the open-door policy, the No 2 light industrial trade in Guangdong Province has thrived and the equipment of the whole trade has been greatly improved. Some 400 factories of this trade are now developing the work of processing materials supplied by foreign firms and compensation trade. They have produced some 100 kinds of products, whose value accounts for 20 percent of the value of the exported products of the whole trade. This trade has imported some 20,000 sets of equipment of all kinds. The garment category

of this trade has developed very quickly. In the past, garments were exported mainly to the Third World but are now exported in large numbers to the United States, Japan and countries and places in West Europe. The per capita income of staff and workers of this trade per month has increased from some 40 to 70 yuan. This trade has some 56,000 workers who are engaged in processing materials supplied by foreign firms. Leather shoes manufactured by Guangzhou municipality have now entered U.S. supermarkets. [HKI 31429 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 10 Apr 82 HK]

HUBEI INDUSTRIAL OUTPUT--In February, the total industrial output value of Hubei Province increased by 2.2 percent over January, which is 30.6 percent more than the corresponding period last year. Of 95 commodities, production of 56 has increased. Since the heavy industrial departments attach importance to planned economy and manufacturing advanced equipment for agriculture and light and textile industries, the production of heavy industry has increased by 19.7 percent over January. The output value of the chemical industry increased by 20.2 percent and that of the metallurgical industry by 22.4 percent. According to the statistics of the provincial agricultural machinery departments, the total industrial output value increased by 6.8 percent over January. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Mar 82 HK]

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## DOMESTIC TRADE

### BRIEFS

GUANGDONG PRICE INCREASES BANNED—The Guangdong Provincial Government recently approved for circulation a report of the provincial prices bureau on banning arbitrary increases in charges for various services. The government also issued a circular on 10 April demanding that government at all levels and the departments and units concerned take effective steps to ban arbitrary increases in such charges, especially for transport, school sundries, medical care, and rent. Control of such charges should be strengthened and anomalies corrected. [HK120308 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 10 Apr 82 HK]

CSO: 4006/417

## LABOR AND WAGES

### BRIEFS

**XINJIANG LIVING STANDARDS**--Sample surveys done in Xinjiang show that the living standards of urban workers in the region have improved notably since the 3d Plenary Session of the 11th CCP Central Committee. The average wage in units owned by the whole people rose from 904 yuan in 1980 to 935 yuan in 1981. Average wage of workers in collective urban enterprises was 704 yuan in 1981, an increase of 9.41 percent over 1980. On average 30.2 yuan was spent per person per month in living costs in workers' families, 12.83 percent more than in 1980. The number of employed persons in each worker household in 1981 was 2.14 possession of consumer durables has risen markedly. Average living space in worker households in 1981 was 5.74 square meters per person. [HK121135 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Apr 82 HK]

**URUMQI LIVING STANDARDS**--Living standards of people of all nationalities in Urumqi municipality have shown notable improvement since the Third plenary session. Average savings deposits per person last year were 305 yuan, sets, an average of 1 to every 2 1/2 households (as printed). Food and clothing are better than in previous years. [Urumqi Xinjiang Regional Service in Mandarin 1650 GMT 4 Apr 82 HK]

**SHAANXI WORKERS' LIVELIHOOD IMPROVES**--Since the 3d Plenary Session of the 11th CCP Central Committee, the living standards of the staff members and workers in urban areas in Shaanxi Province have improved remarkably. With the promotion in grades and the readjustment of wages of some staff members and workers and the monthly issuing of bonuses and nonstaple food subsidies, the wages of staff members and workers in the province have increased by 1.3 billion yuan over the past 3 years. The great majority of people who were awaiting employment, obtained employment. Arrangements have also been basically made for rusticated educated young people. With the increase in the number of workers, the payment of wages has increased by some 160 million yuan. Since 1979, the state has readjusted the wages of some staff members and workers three times. In the 3 years since 1979, the province has issued bonuses of 474.07 million to staff members and workers. On average, this is a per capita bonus of 168 yuan. In the same period, the province issued nonstaple food subsidies of 315.3 million to staff members and workers. The total amount of wages paid to staff members and

workers in the province in 1981 reached 2.246 billion yuan, 36.6 percent more than in 1978. The per capita wages of staff members or workers in units owned by the whole people or collectives in 1981 was 780 yuan, 126 yuan more than in 1978. [HK120310 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 2 Apr 82 HK]

SHAANXI PURCHASING POWER--Average consumer purchasing power in the urban and rural areas of Shaanxi has risen at an annual rate of 12.8 percent since the third plenary session. The rise during the past 3 years has been 1.4 percent greater than for the 11 years 1966-1976. Consumer purchasing power in 1981 was 1.246 billion yuan more than in 1978, a rise of 43 percent. Allowing for a rise in the retail price index of 10.2 percent during the same period, this was still an increase of 30.3 percent. Compared with 1978, 1981 consumption levels of grain rose from 2.753 billion jin to 3.287 billion jin, edible oil from 34.64 million jin to 66.1 million jin, sugar from 67,700 tons to 78,100 tons, cotton cloth and blended fabrics from 236 million meters to 285 million meters, woolen fabrics from 5.27 million meters to 4.088 million meters, wristwatches from 310,000 to 517,000, bicycles from 296,000 to 358,000, sewing machines from 163,000 to 212,000, and television sets from 12,000 to 65,000. [HK100754 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 4 Apr 82 HK]

GUANGDONG WORKERS' INCOME INCREASES--The Guangdong Provincial Statistical Bureau recently conducted a survey of 450 households of staff and workers in six cities, namely, Guangzhou, Foshan, Shaoguan, Shantou, Zhaoqing and Maikou. The survey reveals that the income of the households of these staff and workers has generally increased, these staff and workers have spent more on consumer goods used in basic daily life and many households have used valuable and durable consumer goods. According to statistics, the per capita income of these 450 households per month last year was 17 yuan more than in 1965. Of these 450 households, every 100 households had an average of 155 bicycles, 83 sewing machines, 80 radio sets, 254 watches, and 34 TV sets last year. These 450 households bought 114 electric fans, 64 TV sets, 12 washing machines and 3 refrigerators last year. [HK141127 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Apr 82 HK]

GUANGDONG EMPLOYMENT ARRANGEMENTS--Guangdong Province has achieved outstanding results in arranging for employment in urban areas. Over the past 3 years, the province has arranged employment for 1.34 million people in urban areas. The great majority of people who were awaiting employment have now got jobs. The province has taken measures to offer jobs to people awaiting employment. The province has actively developed the collective economy and the individual economy in urban areas. Over the past 3 years, collective and individual undertakings have offered employment to 860,000 people, who accounted for 64 percent of the total number of people awaited employment. At present, the collective undertakings which young people have voluntarily and jointly established with their own capital and for whose profits and losses they have assumed sole responsibility, now have some 50,000 workers. The individual undertakings are now being run by 130,000 people. The province

has vigorously developed light and textile industries, handicrafts, commerce, the catering trade and services trade. Over the past 3 years, these trades have offered jobs to some 600,000 people. The province has developed the business of processing materials supplied by foreign firms, compensation trade, joint enterprises, cooperative enterprises and tourism to offer more jobs to people awaiting employment. At present, the business of processing materials supplied by foreign firms, assembling work for foreign firms and compensation trade has spread over 67 municipalities and counties throughout the province and has employed 220,000 workers. Labor service companies in all places have quickly developed and contributed toward employment of youths. [HK100834 Guangzhou Guangdong Provincial Service in Mandarin 1600 GMT 9 Apr 82 HK]

LESS JOBLESS YOUTHS--Baicheng railway substation has found jobs for over 10,000 jobless youths in recent years. In 1981 the output value created by 237 educated youth farms and teams increased by 400 percent and profits increased 500 percent over 1980. In 1981 some 84,000 urban job seekers and 71,000 high school graduates found jobs by themselves or engaged in individually-run businesses. Unemployed youths who graduated before 1980 were all provided jobs. [SK122224 Changchun Jilin Provincial Service in Mandarin 2200 GMT 11 Apr 82 SF]

URBAN EMPLOYMENT--Henan found jobs for 640,000 people awaiting employment in the urban areas from 1979 to 1981. The proportion of the non-agricultural population in employment rose from 53 percent of the total in 1975 to 62 percent in 1981. The proportion of the workforce engaged in commerce, catering and service trades rose from 20.6 percent in 1957 to 31 percent in 1981. [Zhengzhou Henan Provincial Service in Mandarin 1600 GMT 10 Apr 82 HK]

XINJIANG PEOPLE'S LIVELIHOOD IMPROVES--From 1979 to 1981, when Xinjiang faced serious financial difficulties, the region appropriated 2.8 billion yuan to improve people's livelihood. Every person throughout the region got 10 percent more than what every person throughout the country got. In these 3 years, apart from increasing workers' wages, and issuing bonuses and variable food subsidies, the region also issued medical treatment subsidies to workers in places where conditions are hardest and allowed workers to visit their relatives once every 4 years instead of once every 10 years in the past. In addition, the region appropriates a large amount of funds every year to subsidize the difference between the official and official prices of grain, oil and meat and to build residential houses for workers. Meanwhile, the region has done everything possible to offer more jobs to people awaiting employment. According to statistics, the per capita wages of the workers in the region per annum increased from 71 yuan in 1978 to 935 yuan in 1981, an increase of 29 percent. [XJ100921 Urumqi Xinjiang Regional Service in Mandarin 1650 GMT 16 Apr 82 HK]

YUNNAN REVENUE INCREASE--Yunnan Province has accomplished 35.9 percent of its revenue annual plan in the first quarter of this year, with an increase of 38.1 percent over the corresponding period of last year. The total industrial output value rose by 17.5 percent over the same period of last year, light industry by 28.7 percent and heavy industry by 6 percent. Meanwhile, the profits gained by all production departments increased by 53.9 percent, compared with the first quarter of 1981. [HK200403 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 17 Apr 82 HK]

CSO: 4006/417



## TRANSPORTATION

### BRIEFS

**GANSU RAILWAY SECURITY**--The provincial people's government held emergency meeting on 5 and 7 April to relay a central instruction on security of the Tianshui-Lanzhou railway and call for a halt to railway undermining activities along the railway. Zhang Jiangang, deputy governor of the provincial people's government, spoke at the 7 April meeting. [SK090558 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 8 Apr 82 SK]

**HUNAN RAILROAD DOUBLE-TRACKING**--The Hunan Provincial Government and the Ministry of Railroads recently held a meeting in Changsha, which decided to set up a command for the Hunan section of the Hengyang-Guangzhou railroad double-tracking project. Vice Governor Cao Wenju is director of the command, and the deputy directors are (Meng Qi), chairman of the provincial construction committee, and (Guo Fushun), director of the No. 5 engineering bureau of the Ministry of Railroads. At present 25,000 workers of this engineering bureau have arrived at the work sites, and all-round work is starting. [HK200411 Changsha Hunan Provincial Service in Mandarin 2310 GMT 19 Apr 82 HK]

**JILIN CIVIL AVIATION**--The Jilin Provincial Civil Aviation Bureau overfulfilled its first quarter transport plan. Its transported passenger number and freight volume surpassed that of the corresponding 1981 period by 15.8 and 21 percent; its transport value, by 1.3 percent. [Changchun Jilin Provincial Service in Mandarin 2200 GMT 1 Apr 82 SK]

**YUNNAN MOTOR TRANSPORT**--The Yunnan Provincial People's Government recently issued a circular on prohibiting people from privately buying motor vehicles to engaged in passenger and freight transport. The circular demands that the people's governments of all prefectures, autonomous prefectures, municipalities and counties do well in publicity work and organize industrial, commercial, administrative, communications and public security departments to coordinate with each other and implement this circular. The circular says that over the past few years, people in some places in the province have privately bought motor vehicles to engaged in passenger and freight transport. Although some motor vehicles were bought and managed in the name of a collective, they are actually owned by people privately. These people who have privately bought and managed motor vehicles

have not paid business charges, road maintenance charges and taxes, have allowed their motor vehicles to run on whatever routes they like and have changed transport charges at will. This has disrupted the state planned economy, sabotaged the plans for rational transport and caused chaos in road transport and the market. This has also encouraged unhealthy trends and given the green light to speculators and profiteers. Regarding the motor vehicles which people own privately, this year, licenses will be cancelled, supply of petrol will be suspended and the owners of these motor vehicles must repay the loans for the purchase of the motor vehicles and pay all road maintenance charges and taxes due and payable and then sell the motor vehicles back to the original selling units at a price that accords with the condition of the motor vehicles. In future, no unit is allowed to sell any type of motor vehicle to people privately. [HK131425 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 4 Apr 82 HK]

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GENERAL

BRIEFS

LIAONING PLACE-NAMES INVESTIGATION--The first Liaoning provincial place-names investigation has concluded. In the past 2 years or so, 121,990 place names have been investigated, and 27,101 do not accord with the State Council provisional regulations on the adoption and changing of place-names. In this investigation, 21,302 place names have been standardized. The second provincial place-names work conference was held in Shenyang 3-6 April to sum up the work and mete out tasks. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 6 Apr 82 SK]

JILIN PER-CAPITA INCOME--Changchun, 18 Apr (XINHUA)--In 1981 commune members' income from collective distribution in Jilin Province averaged 144.10 yuan per capita, showing a 22.6 percent rise over the 1980 level. Due to increased income, a number of production brigades and teams have become better off. Last year saw 307 production brigades and 2,673 production teams whose per-capita income was over 300 yuan. [OW190953 Beijing XINHUA Domestic Service in Chinese 0112 GMT 18 Apr 82 OW]

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